

HCPA East Contra Costa County Habitat Conservation Plan Association

HCPA Coordination Group Meeting

Thursday, September 23, 2004
1 p.m. to 3 p.m.

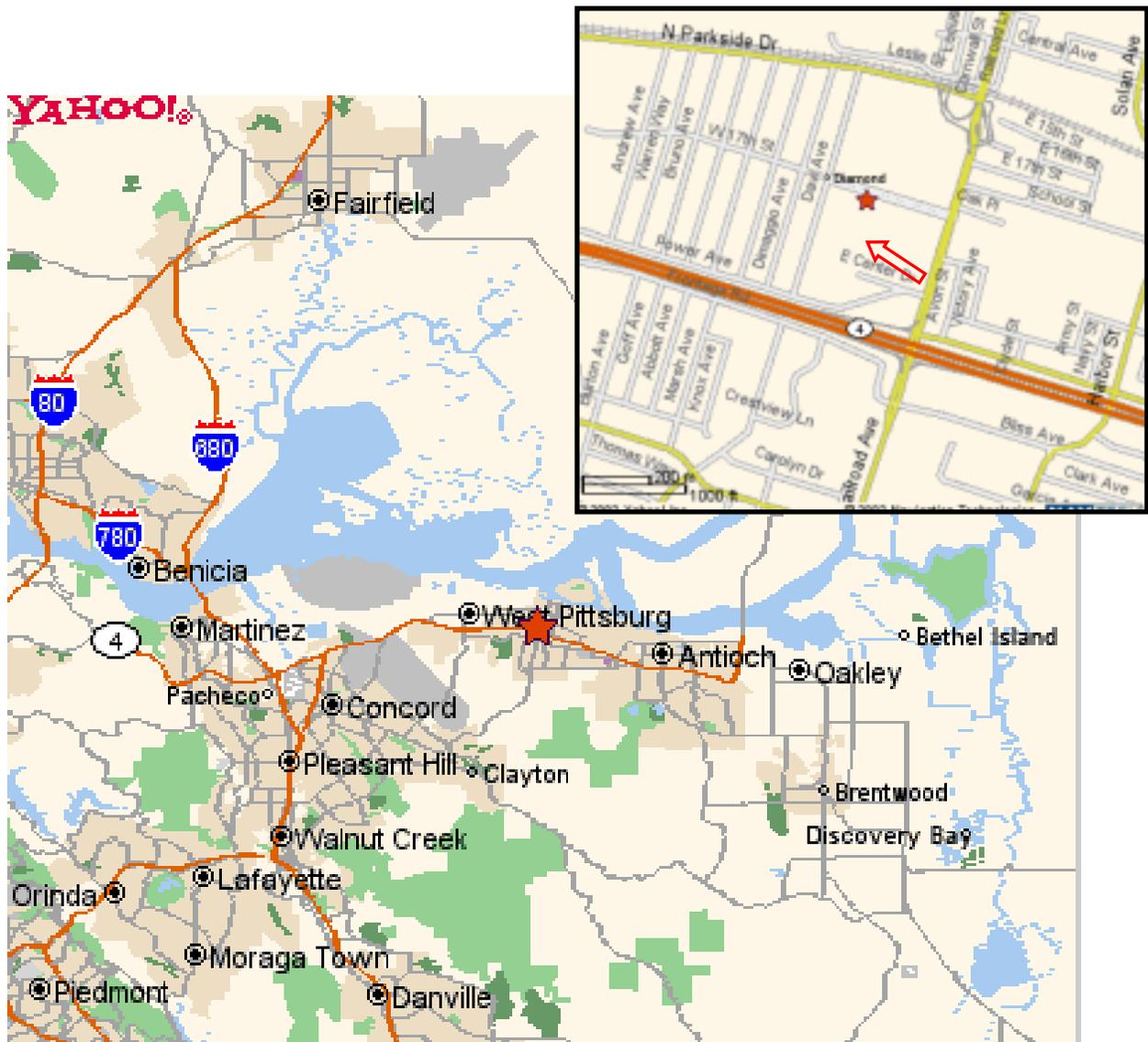
City of Pittsburg 1st Floor Conference Room (“Shark Tank”) ←**NOTE NEW ROOM!!**
65 Civic Drive in Pittsburg, 1st Floor
(see map on reverse)

Agenda

- 1:00 Introductions. Review contents of meeting packet. Review and approve Draft Meeting Record of the August 19, 2004 Coordination Group meeting.
- 1:15 Fees and funding: update from subcommittee
- Wetlands fee (see memo and two tables)
 - Roads (see table summarizing design requirements and table with fee options)
 - Fee on new development (see tables presenting three alternatives)
 - Fee adjustment process (see memo and tables)
 - Non-fee funding sources (see attached tables and memo)
- 2:00 “Jump start” / “stay ahead” / “rough step”: Revised proposal to ensure that conservation activities keep pace with development. (attachment)
- 2:15 Outstanding issues raised by stakeholders that we need to try and address (others?):
- 1) Survey requirements
 - 2) Local no surprises (developers as 3rd party beneficiaries)
 - 3) Fees and fee adjustment process, including wetlands fees (will they cover costs?)
 - 4) Section 7 assurances
 - 5) Voluntary aspects (land in lieu of fee and, if permit suspended for some reason, assurances that project by project permitting would continue)
 - 6) Critical habitat exemption
 - 7) Roads: are fragmentation impacts adequately addressed (Kirker truck climbing, and shoulder widening of Bailey and Deer Valley, especially)
 - 8) Assurances re: how money will be distributed during implementation
 - 9) Neighboring landowner provisions
 - 10) Land valuation assumptions
- 2:55 Confirm upcoming meeting dates. Upcoming Coordination Group meetings are scheduled as follows for the City of Pittsburg Council Chambers (usually 3rd Thursdays):
Thursday, October 21, 1 p.m. to 3 p.m.
HCPA Executive Governing Committee: Thursday, September 29, 2004, 5:30 pm
- 2:55 Public comment.
- 3:00 Adjourn.

Times are approximate. If you have questions about this agenda or desire additional meeting materials, you may contact John Kopchik of the Contra Costa County Community Development Department at 925-335-1227. The HCPA will provide reasonable accommodation for persons with disabilities planning to participate in this meeting who contact staff at least 72 hours before the meeting.

Map and Directions to Pittsburg City Hall 65 Civic Drive



Directions from I-680, Central County

- 1) Take Hwy 4 East toward Antioch/Stockton
- 2) Follow Hwy East over the hill (Willow Pass)
- 3) Exit Railroad Ave. (the 2nd exit after the hill)
- 4) At the end of the exit ramp, turn left on Railroad Ave.
- 5) Turn left at the second intersection, East Center Drive (signs for various city offices will also point you this way)
- 6) Immediately bear right into the large parking lot next to City Hall
- 7) Meeting is on the 3rd floor

Directions from Antioch and points east

- 1) Take Hwy 4 West toward Martinez/Richmond
- 2) Exit Railroad Ave.
- 3) At the end of the exit ramp, turn right on Railroad Ave.
- 4) Turn left at the next intersection, East Center Drive (signs for various city offices will also point you this way)
- 5) Immediately bear right into the large parking lot next to City Hall
- 6) Meeting is on the 3rd floor

DRAFT MEETING RECORD

East Contra Costa County Habitat Conservation Plan Association (HCPA) Coordination Group Meeting

Thursday, July 15, 2004
1 p.m. to 3 p.m.

City of Pittsburg Council Chambers

1:00 Welcome and Introductions. Meeting attendees introduced themselves. Coordination Group members and staff in attendance were:

Seth Adams, Save Mt. Diablo	John Kopchik, CC County Community Dev.
Chris Barton, City of Pittsburg	Sheila Larsen, USFWS
Paul Campos, Home Builders Association of Northern California	Suzanne Marr, USEPA
Abigail Fateman, CCC Community Dev.	Dee Munk, CCC Farm Bureau
Janice Gan, CA DFG	Dick Vrmeer, CNPS
Jim Gwerder, CLA	David Zippin, Jones & Stokes

Also in attendance: Cheryl Morgan, Phillip Torres, and Joe Ciolek of Ag Trust of CCC.

1:05 Review and approve Draft Meeting Record of the July 15, 2004 Coordination Group meeting. Meeting record was approved.

1:10 Updates: John Kopchik and David Zippin provided updates:

- **Gearing up for publishing Draft HCP/NCCP-** The Draft is expected to be available in Fall 2004
- **Important meeting of Executive Governing Committee on September 9** – The Funding Sub-Committee will meet September 1st to frame funding strategies for the September 9th meeting of the EGC (EGC changed to Sept 29).
- **Holding the September Coordination Group meeting a week early: September 9 instead of September 16** – Please note that the next Coordination Group Meeting time has been changed to September 9th (subsequently changed again)
- **Wetlands permitting** –Wetlands permitting discussions with the Army Corps continue.
- **Fees and funding: update from subcommittee assigned to work on this by the Coordination Group**

1:30 “Jump start” / “stay ahead” / “rough step”: Terms describing provisions that may or may not be in the HCP that ensure that conservation activities keep pace with development. What do they mean and where do we stand? What does the Coordination Group think? John Kopchik and David Zippin introduced the “rough step” concept. The group explored different development scenarios and the impact on “rough step.” One idea presented was that if the HCP implementation was in jeopardy of falling out of “rough step”, the implementing entity should only accept land as payment. Another suggestion from the group was that the Implementing entity should not accept land if there is no money available to manage it (whether in rough step jeopardy or not).

2:00 Preview of likely changes to land acquisition strategy under the initial permit area scenario. David Zippin reviewed anticipated changes to the strategy under the initial permit area scenario, including a greater emphasis on Zone 5. The willing sellers issue

was discussed. Staff reaffirmed that the Implementing Entity would only acquire land from willing sellers.

- 2:15 Neighboring landowner protections: What's the latest? Views from the group?** The group discussed changes to Chapter 9:Assurances. Neighboring Landowner protections, opt-in program and survey requirements were reviewed. Jim Gweredr asked that the wildlife agencies consider expanding the coverage area from a ½ mile radius to one mile.
- 2:30 Review and discuss revised draft of HCP/NCCP survey requirements for development projects (see attached table and text)**
- 2:55 Public comment:** None.
- 3:00 Adjourn**

Chapter 8: Funding

Funding Sources and Assurances

Development Mitigation Fees

Wetland Mitigation Fee

Applicants that fill, dredge, or remove wetlands, streams, ponds, or riparian woodland/scrub land cover types will be required to pay an additional “wetland fee” on top of the basic development fee. This wetland fee is intended to pay the full cost of restoration or creation of these land cover types, including design, implementation, post-construction monitoring, and remediation. Management and monitoring after success criteria are met (i.e., after wetland is fully functioning) will be covered by the basic development fee. Restoration of oak savanna is also required by the Plan, but the cost of this restoration is included in the basic development fee because it is not associated with wetlands and other jurisdictional waters.

As described in Chapter 5, mitigation requirements for wetland, stream, pond, and riparian woodland/scrub impacts include both preservation and restoration/creation. The wetland fee will cover wetland restoration or creation, but not wetland preservation. Preservation of these land cover types is included in the basic development fee because land prices will not be significantly affected by the presence of these land cover types, and most restoration/creation will occur on land already owned by the Implementing Entity. Therefore, for every acre of impact to wetlands, streams, ponds, and riparian woodland/scrub, applicants will pay the appropriate basic development fee (according to zone) towards land acquisition and the conservation program as a whole, as well as a wetland fee to cover the costs of successful restoration or creation. Fees will vary by land cover type to account for the different costs of restoration and the different mitigation ratios required (Table 8-5). Table 8-5 also lists the accepted methods for determining the wetland fee. See Appendix G for the calculation of wetland fees by wetland type.

Applicants have the option of constructing and monitoring their own wetland, stream, ponds, or riparian mitigation in lieu of paying the wetland fee, or purchasing credits in a private mitigation bank in the inventory area that has been pre-approved to service the HCP/NCCP (currently there are no such banks in the inventory area). Guidelines for the use of mitigation banks are found in the section *Private Mitigation Banks* in Chapter 7.

The cost of the wetland mitigation program will depend on the amount and type of wetland removed by covered activities. Because the program will be self-funding by the wetland mitigation fee, the total estimated program costs of

\$10,000,000¹ have been subtracted from the calculation of the basic development mitigation fee.

¹ The wetland mitigation program costs were estimated at 60% of restoration costs, 60% of environmental compliance costs, and 30% of design costs for the maximum urban development area based on the acres of wetland impact and the level of effort involved in each cost category to achieve successful wetland mitigation.

Table 8-5. Wetland Fee and Acreage Determination Methods

Land Cover Type	Fee per acre of Impact ¹	Required Mitigation Ratio	Method for Determining Fee Boundary
Riparian woodland/scrub	\$57,000	1:1	Limit of tree or shrub canopy (drip line)
Streams	\$99,000	1:1	Area of impact within banks
Perennial wetlands	\$78,000	1:1	Wetted area during normal rainfall year or jurisdictional wetland boundary, whichever is greater
Seasonal wetland	\$169,000	2:1	Same as above
Alkali wetland	\$160,000	2:1	Same as above
Ponds	\$85,000	1:1	Wetted area during normal rainfall year or jurisdictional waters boundary, whichever is greater
Aquatic (open water)	\$43,000	0.5:1	Wetted area during normal rainfall year or jurisdictional waters boundary, whichever is greater
Slough/channel	\$49,000	0.5:1	Area of impact within banks

¹ See Appendix G for calculation of fee by wetland type. Wetland fee takes mitigation ratio into account.

East Contra Costa County HCP/NCCP
Wetland Fee Worksheet
DRAFT

9/14/2004

Cost Category	Notes	Estimated cost per acre of restoration/creation by land cover type												
		All types (same cost)	Riparian Restoration (note 9)	Stream Impact (note 10)	Perennial wetland Restoration	Seasonal wetland Restoration	Alkali wetland Restoration	Slough/ channel Restoration	Open Water Impact (Pond Creation)	Pond Impact & Creation				
Staff salary and benefits	1	\$ 3,000												
Office equipment	2	\$ 150												
Vehicle purchase, fuel, maintenance	2	\$ 1,000												
Staff travel	2	\$ 100												
Plans and specifications		\$ 2,250												
Bid assistance	3	\$ 300												
Environmental compliance	4	\$ 2,500												
Pre-construction surveys		\$ 750												
Construction	5		\$ 25,000	\$ 55,000	\$ 40,000	\$ 45,000	\$ 41,700	\$ 54,000	\$ 45,000	\$ 45,000				
Construction oversight and monitoring		\$ 2,500												
Post-construction maintenance	6	\$ 6,000												
Remedial measures	7		\$ 3,750	\$ 8,250	\$ 6,000	\$ 6,750	\$ 6,255	\$ 8,100	\$ 6,750	\$ 6,750	\$ 6,750	\$ 6,750	\$ 6,750	
Contingency (20%)	8		\$ 9,460	\$ 16,360	\$ 12,910	\$ 14,060	\$ 13,301	\$ 16,130	\$ 14,060	\$ 14,060	\$ 14,060	\$ 14,060	\$ 14,060	
Total per acre cost for restoration		\$ 18,550	\$ 56,760	\$ 98,160	\$ 77,460	\$ 84,360	\$ 79,806	\$ 96,780	\$ 84,360	\$ 84,360	\$ 84,360	\$ 84,360	\$ 84,360	
Mitigation requirement (see Table 5-20)			1:1	1:1	1:1	2:1	2:1	0.5:1	0.5:1	0.5:1	1:1	1:1	1:1	
Fee per acre of impact			\$ 56,760	\$ 98,160	\$ 77,460	\$ 168,720	\$ 159,612	\$ 48,390	\$ 42,180	\$ 42,180	\$ 84,360	\$ 84,360	\$ 84,360	
Fee (Rounded up to nearest \$1,000)			\$ 57,000	\$ 99,000	\$ 78,000	\$ 169,000	\$ 160,000	\$ 49,000	\$ 43,000	\$ 43,000	\$ 85,000	\$ 85,000	\$ 85,000	
Est. impacts (prelimin. working draft, max permit area)			20	1	24	16	5	75	31	6				Total
Estimated revenue			\$ 1,140,000	\$ 99,000	\$ 1,872,000	\$ 2,704,000	\$ 800,000	\$ 3,675,000	\$ 1,333,000	\$ 510,000	\$ 12,133,000	\$ 12,133,000	\$ 12,133,000	178

Key Assumptions

15% Percent of construction costs needed for remedial measures

Notes

- 1: Implementing Entity staff will select restoration/creation sites, hire and oversee consultants for plans/specs and implementation, and conduct some monitoring
- 2: These program costs are shared with other tasks; the amount listed is the estimated portion that will support wetland mitigation creation/restoration
- 3: Assistance in preparing bid solicitations for construction contractors
- 4: Environmental compliance is assumed to be needed on up to 50% of restoration projects
- 5: Construction costs are revised from Prelim. Working Draft HCP/NCCP. Construction costs depend mostly on the amount, depth, and linear extent of earthwork expected, and whether water control structure are required. Plant propagation, seeding, and watering also included. The estimate of construction costs is a planning tool to assess the level of effort required to perform the work. Actual construction costs may vary from the above estimates because of competitive bidding, negotiations with the client, or fluctuations in market prices.
- 6: Only assumed for the first 3 years after construction to maintain irrigation systems, conducting weeding, etc.; management of the restoration site after success criteria are met is included in basic development fee
- 7: An average of 15% of construction costs will be required for remedial measures.
- 8: A higher contingency is used for wetland restoration because of the higher degree of uncertainty in this portion of the conservation program
- 9: Construction costs for riparian restoration includes collection of seeds, cuttings, and other plant material; plant propagation; planting; minor earthwork to prepare ground; installation of temp. irrigation systems. Major earthwork associated with bank stabilization or other stream work is covered by the stream impact fee.
- 10: Fixed stream impact fee will be used for either stream restoration (if sites available) or off-stream pond creation; for stream restoration, includes major earthwork including bank stabilization, spillway armoring, or geotextile mats.

Table 5-X. Conditions on Rural Road Projects Covered by the HCP/NCCP

	Natural Lands Projects					Ag. Area Projects						Small Projects		
	Buchanan Bypass	Kirker Pass Widening	Marsh Creek Rd Realign.	Vasco-Byron Hwy Connector	Vasco Road Widening	Bethel/Cypress Isl Widening	SR4 Widening to Disco Bay	EBART	Byron Hwy Extension	Byron Highway Widening	Proposed Hwy 239	Bridge Repair, Retrofit, Repla	Road Safety Improvements	Bicycle Trails
Road Conservation Measure														
Siting Requirements														
Site in least sensitive locations	R	R	R	R	R	R	R	R	R	R	R	N/A	N/A	R
Site equipment storage away from sensitive areas	R	R	R	R	R	R	R	R	R	R	R	R	R	R
Conduct project surveys well in advance of design	R	R	R	R	R	R	R	R	R	R	R	R	R	R
Planning survey requirements apply to r-o-way	R	R	R	R	R	R	R	R	R	R	R	R	R	R
Wildlife Design Requirements														
Design requirements superceded by latest research	R	R	R	R	R	R	R	R	R	R	R	R	R	R
Collect data on wildlife movement for at least 1 yr prior to design	R	O	R	R	R	N/A	N/A	N/A	N/A	R	R	N/A	N/A	N/A
Use bridges, viaducts, or causeways	O	N/A	P	O	R	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Construct road undercrossings at freq. Intervals	P	O	P	P	R	N/A	N/A	N/A	N/A	P	P	N/A	N/A	N/A
Install crossing facilities at known travel routes	P	O	P	P	R	N/A	N/A	N/A	N/A	P	P	N/A	N/A	N/A
Large wildlife crossings every mile or less	P	O	P	P	R	N/A	N/A	N/A	N/A	P	P	N/A	N/A	N/A
Small wildlife crossings every 1,000 feet or less	P	O	P	P	R	N/A	N/A	N/A	N/A	P	P	N/A	N/A	N/A
Minimum sizing for culverts	P	O	P	P	R	N/A	N/A	N/A	N/A	P	P	N/A	N/A	N/A
Use grating over tunnels/culverts for light penetration	P	O	P	P	R	N/A	N/A	N/A	N/A	P	P	N/A	N/A	N/A
Fencing designs to maximize crossing use	P	O	P	P	R	N/A	N/A	N/A	N/A	P	P	N/A	N/A	N/A
Discourage trails within 500 feet	P	O	P	P	R	N/A	N/A	N/A	N/A	P	P	N/A	N/A	N/A
Road median designs for wildlife	P	O	P	P	R	O	O	N/A	O	R	R	N/A	O	N/A
Construction Actions														
Best management practices	R	R	R	R	R	R	R	R	R	R	R	R	R	R
Install monitoring boxes (cameras)	P	O	P	P	R	N/A	N/A	N/A	N/A	P	P	N/A	N/A	N/A
Post-Construction Actions														
Control roadside vegetation adj to preserves and OS	R	R	R	R	R	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Revegetate cut/fill slopes with natives	R	R	R	R	R	N/A	N/A	N/A	N/A	N/A	N/A	R	R	R
Monitor structures for wildlife use	P	O	P	P	R	N/A	N/A	N/A	N/A	P	P	N/A	N/A	N/A
Key														
R = Required														
P = Possible (required unless data demonstrate measure would not benefit wildlife and CDFG and USFWS agree to omit)														
O = Optional (measure can be implemented at agency's discretion; if implemented, it will reduce mitigation fee; fee reduction determined case-by-case by Implementing Entity)														
N/A = Not applicable or not needed														

ROADS (Option 1)

Name	Footprint			Fragmentation		Fee per acre	Fee
	Estimate	Fee Zone	Est. Base Fee	Multiplier			
Armstrong Road Extension	3	natural	\$15,000	2		\$30,000	\$90,000
Buchanan Road Bypass	42	natural	\$15,000	2		\$30,000	\$1,260,000
Byron Highway Northern Extension	15	ag	\$7,500	1		\$7,500	\$112,500
Byron Highway Widening	25	mixed	\$10,000	1		\$10,000	\$250,000
Kirker Pass Truck Climbing Lane	25	natural	\$15,000	1		\$15,000	\$375,000
SR239 Armstrong-Like Connector (100' wide)	10	natural	\$15,000	2		\$30,000	\$300,000
Widen Existing SR4 Oakley to Countyline	40	ag	\$7,500	1		\$7,500	\$300,000
Vasco Road Widening	100	natural	\$15,000	2		\$30,000	\$3,000,000
TOTAL (assuming SR239)	257						\$5,597,500

ROADS (Option 2)

Name	Footprint			Fragmentation		Fee per acre	Fee
	Estimate	Fee Zone	Est. Base Fee	Multiplier			
Armstrong Road Extension	3	natural	\$15,000	4		\$60,000	\$180,000
Buchanan Road Bypass	42	natural	\$15,000	4		\$60,000	\$2,520,000
Byron Highway Northern Extension	15	ag	\$7,500	2		\$15,000	\$225,000
Byron Highway Widening	25	mixed	\$10,000	1		\$10,000	\$250,000
Kirker Pass Truck Climbing Lane	25	natural	\$15,000	2		\$30,000	\$750,000
SR239 Armstrong-Like Connector (100' wide)	10	natural	\$15,000	4		\$60,000	\$600,000
Widen Existing SR4 Oakley to Countyline	40	ag	\$7,500	1		\$7,500	\$300,000
Vasco Road Widening	100	natural	\$15,000	4		\$60,000	\$6,000,000
TOTAL (assuming SR239)	257						\$10,645,000

ROADS (Option 3)

Name	Footprint			Fragmentation		Fee per acre	Fee
	Estimate	Fee Zone	Est. Base Fee	Multiplier			
Armstrong Road Extension	3	natural	\$15,000	6		\$90,000	\$270,000
Buchanan Road Bypass	42	natural	\$15,000	4		\$60,000	\$2,520,000
Byron Highway Northern Extension	15	ag	\$7,500	1		\$7,500	\$112,500
Byron Highway Widening	25	mixed	\$10,000	4		\$40,000	\$1,000,000
Kirker Pass Truck Climbing Lane	25	natural	\$15,000	4		\$60,000	\$1,500,000
SR239 Armstrong-Like Connector (100' wide)	10	natural	\$15,000	6		\$90,000	\$900,000
Widen Existing SR4 Oakley to Countyline	40	ag	\$7,500	1		\$7,500	\$300,000
Vasco Road Widening	100	natural	\$15,000	6		\$90,000	\$9,000,000
TOTAL (assuming SR239)	257						\$15,332,500

Fee Calculator: Alternative 1

1. FAIR SHARE

	Urban <u>Acres</u>	Irrigated <u>Ag. Acres</u>	Total Conservation <u>"Developed" Ac.</u>	Conservation <u>Acres</u>	Conservation <u>Ratio</u>	Fair Share <u>Ratio</u>	Fair Share of New Conservation <u>Acres</u>	Fair <u>Share</u>
Existing	23,828	33,028	40,342	44,746	1.11	1.47	14,732	48% (public share)
Affected during HCP	<u>15,000</u>	<u>(8,000)</u>	<u>11,000</u>	<u>30,950</u>	2.81	1.47	<u>16,218</u>	<u>52%</u> (new development share)
Status after HCP	38,828	25,028	51,342	75,696	1.47	1.47	30,950	100%

2. Gross Cost Allocations

Item	Amount	
	Initial Permit Area	Max. Permit Area
a Total Plan Cost	\$245,000,000	\$300,000,000
b Wetland Mitigation Cost (Creation & Restoration) (to be paid by wetland fee)	\$7,000,000	\$11,793,000
c Adjusted Plan Cost	\$238,000,000	\$288,207,000
d Future Impacts "Fair Share" % (tied to max permit only)	42%	52%
e=c*d Future Impacts "Fair Share" \$	\$99,660,640	\$149,867,640
f Contribution by Rural Infrastructure Projects	\$5,310,958	\$5,310,958
g Total Funding from development fees	\$99,660,640	\$149,867,640
h=c-f-g Remaining Cost (to be funded by a variety of public sources)	\$133,028,402	\$133,028,402
i=b+f+g+h Total revenues	\$245,000,000	\$300,000,000

Key Assumptions:	
Ag. habitat & open space value relative to natural land	50%
New development's share of rural infrastructure mitigation costs	52%
Rural road mitigation costs	\$10,157,500
Other rural infra. mitigation costs	<u>\$1,000,000</u>
Total rural infra. mitigation costs	\$11,157,500
Fee zone ratio:	
Zone 1, Eastern and Ag:	2
Zone 2: S/W and Natural:	4
Zone 3: Infill:	1
Paying acres contingency	10%

3. Estimated Basic Development Fee by Fee Zone

Item	Fee Zones			Total/ Avg
	Eastern and Agricultural Zone I	South + West Natural Areas Zone II	Infill (less 10 acres) Zone III	
<u>Total Fee Zone Acreages</u>				
Initial Plan Area	6,500	3,000	136	9,636
Maximum Plan Area	8,500	5,500	136	14,136
<u>Fee Zone Acreages -- Less Roads</u>				
Initial Plan Area	6,436	2,808	136	9,379
Maximum Plan Area	8,436	5,308	136	13,879
Relative Fee Weighting by Zone (1)	2	4	1	2.33
<u>Relative Funding Burden by Zone -- Percent (2)</u>				
Initial Plan Area	53%	46%	0.6%	100%
Maximum Plan Area	44%	56%	0.4%	100%
<u>Relative Funding Burden by Zone -- Amount (3)</u>				
Initial Plan Area	\$52,925,622	\$46,177,821	\$557,197	\$99,660,640
Maximum Plan Area	\$66,125,734	\$83,210,795	\$531,111	\$149,867,640
<u>Fee Per Developed Acre (4)</u>				
Initial Plan Area	\$9,046	\$18,093	\$4,523	\$10,554
Maximum Plan Area	\$8,623	\$17,246	\$4,311	\$10,060
<u>Fee Per Housing Unit (5)</u>				
Initial Plan Area	\$1,645	\$3,290	\$822	\$1,919
Maximum Plan Area	\$1,568	\$3,136	\$784	\$1,829

- (1) Relative contribution of an acre in each zone from a conservation perspective.
- (2) Relative funding contribution of each zone, taking into account total zone acreage and fee weighting factor.
- (3) Relative funding burden times total fee-funded HCP costs.
- (4) Funding burden divided by zone acreage. Also includes a 10% contingency factor to account for incomplete buildout.

Fee Calculator: Alternative 2

1. FAIR SHARE

	Urban <u>Acres</u>	Irrigated <u>Ag. Acres</u>	Total Conservation <u>"Developed" Ac.</u>	Conservation <u>Acres</u>	Conservation <u>Ratio</u>	Fair Share <u>Ratio</u>	Fair Share of New Conservation <u>Acres</u>	Fair <u>Share</u>
Existing	23,828	33,028	40,342	44,746	1.11	1.47	14,732	48% (public share)
Affected during HCP	<u>15,000</u>	<u>(8,000)</u>	<u>11,000</u>	<u>30,950</u>	2.81	1.47	<u>16,218</u>	<u>52%</u> (new development share)
Status after HCP	38,828	25,028	51,342	75,696	1.47	1.47	30,950	100%

2. Gross Cost Allocations

Item	Amount	
	Initial Permit Area	Max. Permit Area
a Total Plan Cost	\$245,000,000	\$300,000,000
b Wetland Mitigation Cost (Creation & Restoration) (to be paid by wetland fee)	\$7,000,000	\$11,793,000
c Adjusted Plan Cost	\$238,000,000	\$288,207,000
d Future Impacts "Fair Share" % (tied to max permit only)	39%	52%
e=c*d Future Impacts "Fair Share" \$	\$93,814,098	\$149,867,640
f Contribution by Rural Infrastructure Projects	\$11,157,500	\$11,157,500
g Total Funding from development fees	\$93,814,098	\$144,021,098
h=c-f-g Remaining Cost (to be funded by a variety of public sources)	\$133,028,402	\$133,028,402
i=b+f+g+h Total revenues	\$245,000,000	\$300,000,000

Key Assumptions:	
Ag. habitat & open space value relative to natural land	50%
New development's share of rural infrastructure mitigation costs	0%
Rural road mitigation costs	\$10,157,500
Other rural infra. mitigation costs	\$1,000,000
Total rural infra. mitigation costs	\$11,157,500
Fee zone ratio:	
Zone 1, Eastern and Ag:	2
Zone 2: S/W and Natural:	4
Zone 3: Infill:	1
Paying acres contingency	5%

3. Estimated Basic Development Fee by Fee Zone

Item	Fee Zones			
	Eastern and Agricultural Zone I	South + West Natural Areas Zone II	Infill (less 10 acres) Zone III	Total/ Avg
<u>Total Fee Zone Acreages</u>				
Initial Plan Area	6,500	3,000	136	9,636
Maximum Plan Area	8,500	5,500	136	14,136
<u>Fee Zone Acreages -- Less Roads</u>				
Initial Plan Area	6,436	2,808	136	9,379
Maximum Plan Area	8,436	5,308	136	13,879
Relative Fee Weighting by Zone (1)	2	4	1	2.33
<u>Relative Funding Burden by Zone -- Percent (2)</u>				
Initial Plan Area	53%	46%	0.6%	100%
Maximum Plan Area	44%	56%	0.4%	100%
<u>Relative Funding Burden by Zone -- Amount (3)</u>				
Initial Plan Area	\$49,820,766	\$43,468,822	\$524,510	\$93,814,098
Maximum Plan Area	\$63,546,078	\$79,964,628	\$510,391	\$144,021,098
<u>Fee Per Developed Acre (4)</u>				
Initial Plan Area	\$8,129	\$16,257	\$4,064	\$9,483
Maximum Plan Area	\$7,910	\$15,820	\$3,955	\$9,228
<u>Fee Per Housing Unit (5)</u>				
Initial Plan Area	\$1,478	\$2,956	\$739	\$1,724
Maximum Plan Area	\$1,438	\$2,876	\$719	\$1,678

- (1) Relative contribution of an acre in each zone from a conservation perspective.
- (2) Relative funding contribution of each zone, taking into account total zone acreage and fee weighting factor.
- (3) Relative funding burden times total fee-funded HCP costs.
- (4) Funding burden divided by zone acreage. Also includes a 5% contingency factor to account for incomplete buildout.

Fee Calculator: Alternative 3

1. FAIR SHARE

	Urban <u>Acres</u>	Irrigated <u>Ag. Acres</u>	Total Conservation <u>"Developed" Ac.</u>	Conservation <u>Acres</u>	Conservation <u>Ratio</u>	Fair Share <u>Ratio</u>	Fair Share of New Conservation <u>Acres</u>	Fair <u>Share</u>
Existing	23,828	33,028	40,342	44,746	1.11	1.47	14,732	48% (public share)
Affected during HCP	<u>15,000</u>	<u>(8,000)</u>	<u>11,000</u>	<u>30,950</u>	2.81	1.47	<u>16,218</u>	<u>52%</u> (new development share)
Status after HCP	38,828	25,028	51,342	75,696	1.47	1.47	30,950	100%

2. Gross Cost Allocations

Item	Amount	
	Initial Permit Area	Max. Permit Area
a Total Plan Cost	\$245,000,000	\$300,000,000
b Wetland Mitigation Cost (Creation & Restoration) (to be paid by wetland fee)	\$7,000,000	\$11,793,000
c Adjusted Plan Cost	\$238,000,000	\$288,207,000
d Future Impacts "Fair Share" % (tied to max permit only)	42%	52%
e=c*d Future Impacts "Fair Share" \$	\$99,660,640	\$149,867,640
f Contribution by Rural Infrastructure Projects	\$5,310,958	\$5,310,958
g Total Funding from development fees	\$99,660,640	\$149,867,640
h=c-f-g Remaining Cost (to be funded by a variety of public sources)	\$133,028,402	\$133,028,402
i=b+f+g+h Total revenues	\$245,000,000	\$300,000,000

Key Assumptions:	
Ag. habitat & open space value relative to natural land	50%
New development's share of rural infrastructure mitigation costs	52%
Rural road mitigation costs	\$10,157,500
Other rural infra. mitigation costs	<u>\$1,000,000</u>
Total rural infra. mitigation costs	\$11,157,500
Fee zone ratio:	
Zone 1, Eastern and Ag:	2
Zone 2: S/W and Natural:	4
Zone 3: Infill:	1
Paying acres contingency	20%

3. Estimated Basic Development Fee by Fee Zone

Item	Fee Zones			
	Eastern and Agricultural Zone I	South + West Natural Areas Zone II	Infill (less 10 acres) Zone III	Total/ Avg
<u>Total Fee Zone Acreages</u>				
Initial Plan Area	6,500	3,000	136	9,636
Maximum Plan Area	8,500	5,500	136	14,136
<u>Fee Zone Acreages -- Less Roads</u>				
Initial Plan Area	6,436	2,808	136	9,379
Maximum Plan Area	8,436	5,308	136	13,879
Relative Fee Weighting by Zone (1)	2	4	1	2.33
<u>Relative Funding Burden by Zone -- Percent (2)</u>				
Initial Plan Area	53%	46%	0.6%	100%
Maximum Plan Area	44%	56%	0.4%	100%
<u>Relative Funding Burden by Zone -- Amount (3)</u>				
Initial Plan Area	\$52,925,622	\$46,177,821	\$557,197	\$99,660,640
Maximum Plan Area	\$66,125,734	\$83,210,795	\$531,111	\$149,867,640
<u>Fee Per Developed Acre (4)</u>				
Initial Plan Area	\$9,869	\$19,738	\$4,934	\$11,514
Maximum Plan Area	\$9,407	\$18,814	\$4,703	\$10,975
<u>Fee Per Housing Unit (5)</u>				
Initial Plan Area	\$1,794	\$3,589	\$897	\$2,093
Maximum Plan Area	\$1,710	\$3,421	\$855	\$1,995

- (1) Relative contribution of an acre in each zone from a conservation perspective.
- (2) Relative funding contribution of each zone, taking into account total zone acreage and fee weighting factor.
- (3) Relative funding burden times total fee-funded HCP costs.
- (4) Funding burden divided by zone acreage. Also includes a 20% contingency factor to account for incomplete buildout.

MEMORANDUM

To: John Kopchik, Contra Costa County
David Zippin, Jones & Stokes

From: Teifion Rice-Evans, Jason Tundermann

Subject: Potential Approaches to Fee Adjustment; EPS #11028

Date: September 3, 2004

This memorandum describes two potential approaches to adjusting developer fees over time to ensure that they keep track of their fair share of HCP costs. The dynamic nature of the costs associated with HCP implementation, including land acquisition costs and operating, maintenance, and management costs, requires a flexible approach to funding through time. Many existing HCPs have not incorporated sufficient flexibility into their funding mechanisms and, as a result, have found that funding lags behind increasing costs, compromising plan implementation. This is in part due to the impossibility of perfectly predicting future cost changes, though there are also a number of approaches that can minimize funding shortfalls. This section discusses two, inter-related approaches to adjusting developer fees through time.

COST REVIEW AND FEE ADJUSTMENT

There are two mechanisms for adjusting fee levels, one through a more thorough evaluation of changes in plan costs, and the other through an automated increase through a specified cost index or inflator. Indexed adjustments, discussed in more detail below, are generally used in the intervening years between more thorough reviews.

The cost review process includes a review of the costs and their underlying assumptions that were developed as part of the original funding plan. Actual land sales in the East County transacted after the start of the HCP are evaluated and compared to the original land cost assumptions to determine the level of land cost inflation. The actual costs of operating, maintaining, and managing the HCP are also compared to the original estimates of these costs to determine the level of "other" cost inflation. Once the revised cost estimates are completed, the fee is increased to ensure it continues to cover its share of the costs. The proportion of the fee that covers land costs will be increased by the



identified proportionate increase in land costs, while the proportion of the fee that covers other costs will be increased by the proportionate increase in other costs.

The appropriate timing of such reviews requires a balanced consideration of the administrative costs of such reviews, the time before sufficient additional data is available, and the choice of automated fee increase index incorporated in the plan. It is recommended that such cost reviews occur every two to five years.

FEE INCREASE INDEX

Land costs and other HCP costs generally increase at different rates. Land costs in many areas of California, including the San Francisco Bay Area, generally increase at above the rate of inflation. The significant demand for housing in the Bay Area and the more limited housing supply have increased housing prices significantly, which in turn increases the value of developable land if housing construction costs increase by less than housing prices. Other HCP costs, including the cost of the personnel, supplies, and equipment involved in managing, operating and maintaining, and doing restoration work for HCP programs, generally increase more closely in line with the general rate of inflation.

A number of different fee programs, whose costs are not tied directly to construction costs, will use a measure of general inflation, such as the consumer price index (CPI). As shown in **Table 1**, inflation rates vary by area. Increases in the price index for the combined San Francisco/ Oakland/ San Jose metropolitan areas are greater than those for the Western Region of the U.S. (which includes the western states), which are, in turn, greater than the increases in the national consumer price index. As shown, the average annual inflation rate over the full economic cycle from 1991 to 2001 ranged from 2.65 percent to 3.25 percent depending on the geography evaluated. The San Francisco-plus metropolitan area consumer price index showed a higher consumer price index during the boom years, from 1996 to 2000, while the western and national indices showed lower rates of increase over this period compared to their rates over the full economic cycle.

The variation in the cost of land due to site-specific factors means that it is difficult to develop land cost indices, and, as a result, there are no such indices available. However, given the link between the housing market, housing prices, and land costs, housing prices will generally provide a more accurate index for land cost inflation than measures of general inflation, especially for land whose value is primarily generated by its development value. The two primary sources of information available on housing prices include information developed by the California Association of Realtors for California cities and counties as well as an index developed by the Office of Federal Housing Enterprise Oversight (OFHEO) for California as a whole.

As shown in **Table 1**, annual housing price increases in Contra Costa County and East Contra Costa County cities were significantly above all the measures of general inflation at 5.1 percent and 4.5 percent, respectively, over the full economic cycle. The disparity was especially significant during the economic boom period when housing prices increased by an annual average of about 10 percent. A separate housing price index

developed by the OFHEO estimates increases in California housing prices as a whole. As shown, the index showed an average annual increase of 3.0 percent over the economic cycle, similar to the rate of inflation, though it also showed an average annual increase of 7.8 percent during the economic booms years and an even higher average of 12.0 percent in the subsequent three years, between 2000 and 2003.

To the extent that full cost reviews are not conducted every year, it is recommended that one of the housing price measures be used to increase the proportion of the fee intended to cover land costs each year. Small area indices can often be thrown off by smaller quantities of data in particular years and are thus often not as good as broader measures. As a result, it is recommended that either California Association of Realtor data is used as the index for an area equal to or greater than Contra Costa County or the OFHEO index is used. It is also recommended that a CPI measure of general inflation be used to increase the other costs each year. The CPI for the Western Region is likely preferably due to the greater difficulty in consistently measuring cost price inflation in metropolitan areas, as indicated by the Bureau of Labor Statistics. The divergences of these cost indices from actual cost increases will be corrected during the formal cost reviews described above.

Table 1
Potential Fee Inflators
East Contra Costa County NCCP/ HCP; EPS #11028

Year	Consumer Price Index National (1)	Consumer Price Index - Western Region (2)	CPI - San Francisco/ Oakland/ San Jose (3)	Median Home Price / Sq Ft Contra Costa County (4)	Median Home Price / SqFt (Avg East Contra Costa cities [5])	OFHEO Housing Price Index, California (6)
1988	118.3	119.0	120.5	n/a	n/a	174.6
1989	124.0	124.6	126.4	n/a	n/a	211.1
1990	130.7	131.5	132.1	n/a	n/a	228.4
1991	136.2	137.3	137.9	126.0	115.5	227.6
1992	140.3	142.0	142.5	126.0	114.5	224.8
1993	144.5	146.2	146.3	124.0	117.3	216.3
1994	148.2	149.6	148.7	123.0	114.8	205.6
1995	152.4	153.5	151.6	120.0	106.3	201.7
1996	156.9	157.6	155.1	120.0	105.8	201.1
1997	160.5	161.4	160.4	126.0	105.8	206.4
1998	163.0	164.4	165.5	131.0	114.0	223.7
1999	166.6	168.9	172.5	146.0	134.5	241.4
2000	172.2	174.8	180.2	179.0	154.0	271.5
2001	177.1	181.2	189.9	208.0	179.3	306.1
2002	179.9	184.7	193.0	230.0	187.8	339.7
2003	184.0	188.6	196.4	n/a	n/a	380.8
<u>Avg. Annual Rate</u>						
1991 - 2001	2.66%	2.81%	3.25%	5.14%	4.49%	3.00%
1996 - 2000	2.35%	2.62%	3.82%	10.51%	9.85%	7.79%
2000 - 2003	2.23%	2.57%	2.91%	--	--	11.95%

- (1) From U.S. Bureau of Labor Statistics. <ftp://ftp.bls.gov/pub/special.requests/cpi/cpi.txt>
- (2) From U.S. Bureau of Labor Statistics. <http://data.bls.gov/cgi-bin/surveymost>
- (3) From U.S. Bureau of Labor Statistics. <http://data.bls.gov/servlet/SurveyOutputServlet>
- (4) From RAND: California Association of Realtors data. <http://ca.rand.org/stats/economics/houseprice.html>
- (5) Average of city data from Brentwood, Antioch, Byron, and Clayton.
- (6) From Office of Federal Housing Enterprise Oversight. <http://www.ofheo.gov/media/pdf/1q04hpi.pdf>

Sources: Footnoted organizations; Economic & Planning Systems, Inc.

MEMORANDUM

To: John Kopchik, Contra Costa County
David Zippin, Jones & Stokes

From: Teifion Rice-Evans, Jason Tundermann

Subject: Estimates of the Sources of Non-Fee Funding; EPS #11028

Date: September 3, 2004

This memorandum provides estimates of non-fee funding from different sources. It also provides an initial breakdown of non-fee funding sources between local, State, and federal sources. The information contained in this memorandum is for discussion purposes only and will be refined over time as additional research is conducted.

GRANT FUNDING SOURCES

Non-fee-related HCP funding and land acquisitions will primarily come through federal and State grants as well as the activities of local and regional organizations, such as the East Bay Regional Park District (EBRPD), which often preserve land in the East County that could be counted towards the NCCP/ HCP requirements. **Table 1** lists various State and federal funding sources that could provide funding for HCP land acquisition and restoration efforts. Many of these sources are already tapped by the EBRPD and other conservation organizations, others are not applicable to the East Contra Costa County NCCP/ HCP from these sources, and others could provide new or additional funding to the East County once the NCCP/ HCP is developed.

EAST BAY REGIONAL PARK DISTRICT

The EBRPD has long been active in Alameda and Contra Costa Counties, including the East County. **Table 2** shows the historical land acquisitions of the East Bay Regional Park District both in the two-County area and in the East County.

As shown, the EBRPD acquired an average of about 2,300 acres each year between 1967 and 2000. An average of about 440 acres each year was acquired in the HCP planning area, with acquisitions fluctuating by decade. If this acquisition trend continues, a total



of about 13,300 acres will be acquired over the next 30 years. Two other acquisition projections are also shown, one at half and one at three-quarters the historical acquisition rate. These projections result in the acquisition of 6,700 and 10,000 acres.

Most acquisitions by the EBRPD are expected to count towards the NCCP/ HCP land conservation requirements. The value of these acquisitions relative to the overall Plan cost depends on the type and location of the land purchased. The estimated, current, average land value is \$8,000 per acre for East Contra Costa County lands suitable for the HCP. The EBRPD, however, generally purchases larger and more remote parcels, so an average land value of \$6,500 per acre is applied to their projected acquisitions. This results in an estimated acquisition value of between \$43.3 million and \$87 million over the next 30 years (in 2004 dollar terms), depending on the acquisition projection (see **Table 2**). For the purposes of this analysis, the three-quarters land acquisition projection is used, resulting in the equivalent of a land contribution of \$65 million. The EBRPD has stated that it expects to acquire land at similar rates to its historical level, though this level is discounted as some of the projected acquisitions presume funding through mitigation payments and land available for acquisition may become more limited over time.

In recent years, the EBRPD has received about 35 percent of its land acquisition budget from grants, the remaining coming from local property taxes and assessments. Most of this grant funding comes from State sources. As a result, it is estimated that of the \$65 million in land acquisition value provided by the EBRPD, about \$42.25 million will be from local funding sources, \$19.5 million from State funding sources, and \$3.25 million from federal funding sources. The grant funding sources that the EBRPD has been particularly successful in tapping in the past include the Habitat Conservation Fund, the per capita grant program, the Roberti-Hertzberg-Harris Need Basis Grant Program, and the San Francisco Bay Area Conservancy programs.

POTENTIAL NON-FEE FUNDING

Table 3 shows a preliminary estimate of potential non-fee funding. As discussed above, on-going efforts by the EBRPD and other land conservation organizations are expected to contribute a value of about \$65 million. Byron Airport required mitigations are expected to add \$6.5 million in land value, for a total of \$71.5 million from on-going/ current requirements.

The completion of the East Contra Costa County NCCP/ HCP will generate the potential for additional revenues from a number of different sources. Section 6 grant funds from the USFWS are estimated to provide about \$1.5 million each year, a total of \$45 million over the next 30 years. This estimate is based on a review of other major California HCPs that received an average of between \$450,000 (San Bruno HCP) and \$10.3 million (San Diego MSCP) each year between 2001 and 2003. East Contra Costa County lies between the scale of these two plans in terms of conservation goals, developable acreage covered, and existing area population. Other funding is also expected to be drawn from

the Department of Fish & Game's Wildlife Conservation Board grant program as well as CalFed. In addition, the completion of the NCCP/ HCP is expected to make the East County more competitive for funding through future park bonds.

Overall, about \$55 million could be generated from these additional funding sources, resulting in a total of \$126.5 million from non-fee funding sources. About \$42.25 million of this revenue is expected to come from local sources, \$29.5 million from State sources, and \$54.75 million from federal sources.

**Table 1
Overview of Land Acquisition/ Habitat Restoration Funding Sources
East Contra Costa Habitat Conservation Plan; EPS #11028**

Program Name	Program Administrator	Funding Source	California Funding	Year	Description	Eligibility	East Contra Costa County NCCP/ HCP Potential
Section 6 Grants	U.S. Fish & Wildlife Service	Federal	\$24,900,000	2001-2003 Annual Average	Grants for HCP land acquisition.	HCPs	Strong
Byron Airport Acquisition	Federal Aviation Administration	Federal	\$6,500,000	Expected, One-Time Investment	About 800 acres in HCP planning area will be conserved as part of on-going airport activity	Specific Project in East Contra Costa County	Established
Land and Water Conservation Fund	CA Dept. of Parks & Recreation	Federal	\$7,832,545	2004	Dollar-for-dollar matching grants for planning, acquisition, and development of outdoor recreation areas and facilities.	Cities, counties and districts with authority to acquire, develop, operate and maintain public park and recreation areas	Uncertain
Farm and Ranch Land Protection Program	Natural Resource Conservation Service	Federal	\$3,000,000	2004	USDA provides up to 50% of conservation easement value; requires partnerships with other agencies.	Active farm and ranch lands	Very Limited
Habitat Conservation Fund	CA Dept. of Parks & Recreation	State - Other (1)	\$2,174,400	2003	Program requires dollar for dollar match from non-state source for wetlands, riparian, trails/programs and anadromous/trout categories.	Cities, counties and districts	Well-tapped by EBRPD.
Per Capita Grant Program	CA Dept. of Parks & Recreation	State - Prop. 40	\$326,725,000	Total Funding Allocation through time	For the acquisition and development of neighborhood, community, and regional parks and recreation lands and facilities in urban and rural areas. No matching requirements.	40% will be made available to counties, regional park and open space districts. The rest (60%) is for cities and districts other than regional park and open space districts.	Well-tapped by EBRPD.
Recreational Trail Fund	CA Dept. of Parks & Recreation	Federal (2)	\$2,197,222	Recommended 2003	Federal money for non-motorized trail projects; RTP will provide up to 80% of total project costs.	Cities, counties, districts, state agencies and nonprofit organizations with management responsibilities over public lands	Well-tapped by EBRPD.
Roberti-Z'Berg-Harris Non-Urbanized Area Need Basis Grant Program	CA Dept. of Parks & Recreation	State - Prop. 40	\$27,855,000	Total Funding Allocation through time	For acquisition, development, rehabilitation, and special maintenance of park and recreation land and facilities. Requires non-state funding match of 30% of total project costs.	Cities, Counties, and eligible districts in non-urbanized areas	Well-tapped by EBRPD.

**Table 1
Overview of Land Acquisition/ Habitat Restoration Funding Sources
East Contra Costa Habitat Conservation Plan; EPS #11028**

Program Name	Program Administrator	Funding Source	California Funding	Year	Description	Eligibility	East Contra Costa County NCCP/ HCP Potential
Wildlife Conservation Board	CA Dept. Fish & Game	State - Prop. 40	\$324,000,000	Total Funding Allocation through time	Various programs funded by Prop. 40 and Prop. 50, including acquisition & protection of habitat, coastal & wetlands protection, and grazing lands and ranchlands program.	Federal, state, and local governmental agencies, and nonprofit conservation organizations; in some cases, private land owners.	Some Funding to EBRPD; Potential for Additional Funding.
		State - Prop. 50	\$914,000,000				
San Francisco Bay Area Conservancy (3)	California Coastal Conservancy	State - Prop. 40	\$40,000,000	Total Funding Allocation through time	Funding from Prop. 40 & Prop. 50 for acquisition, development, rehabilitation, restoration and protection of land recourses and for Bay Area coastal watershed and wetlands protection, plus acquisition of agricultural and open space properties.	The State Coastal Conservancy, public agencies and nonprofit organizations (land trusts)	Well-tapped by EBRPD.
		State - Prop. 50	\$20,000,000				
California Farmland Conservancy Program	CA Dept. of Conservation	State - Prop. 12	\$10,000,000	Final Prop 12 allocation; 2003-04 funding	Grants for preservation of strategic agricultural lands.	Cities, counties, nonprofit organizations (land trusts) and Resource Conservation District Assistance programs.	Very Limited
		State - Prop. 40	\$40,000,000	Total Funding Allocation through time			
CalFed Bay-Delta Programs	California Bay Delta Authority and other California agencies	State - Prop. 50	\$270,000,000	Total Funding Allocation through time	Various programs funded by Prop. 50 for habitat restoration and protection, conservation and restoration of watersheds.	State, federal, local and non-governmental agencies are eligible.	Moderate

(1) Initiated by the California Wildlife Protection Act of 1990.

(2) Administered at the federal level by the Federal Highway Administration.

(3) The San Francisco Bay Area Conservancy obtains funds via the Statewide California Coastal Conservancy program. The broader California Conservancy program also funds other projects in the San Francisco Bay Area, though they are all directly on the coastline, not in Contra Costa County.

Source: Economic & Planning Systems, Inc.

**Table 2
Past and Projected EBRPD Land Acquisitions
East Contra Costa County NCCP/ HCP; EPS #11028**

Land Type/Item	1967-77	1978-88	1989-2000	Total/ Average
EBRPD				
New Acres Acquired	29,600	20,900	25,400	75,900
Annual Acres Acquired	2,691	1,900	2,117	2,300
EBRPD in HCP Planning Area				
New Acres Acquired	5,770	2,164	6,731	14,664
Annual Acres Acquired	525	197	561	444
Projected EBRPD Acquisition	Annual Acres	30-Year Acres	Value/ Acre (1)	Total Value
Conservative Projection (half historical rate)	222	6,665	\$6,500	\$43,300,000
Aggressive Projection (average historical rate)	444	13,331	\$6,500	\$86,700,000
Selected Projection (2) (75% of historical rate)	333	9,998	\$6,500	\$65,000,000
Funding Source (3)	30-Yr Projection		Annual Projection	
Local Taxes/ Assessments	65.0%	\$42,250,000	\$1,408,333	
State Grants (4)	30.0%	\$19,500,000	\$650,000	
Federal Grants (4)	5.0%	\$3,250,000	\$108,333	
Total	100%	\$65,000,000	\$2,166,667	

(1) The average per acre land costs for the East Contra Costa County NCCP/HCP is estimated at \$8,000 per acre, with an expected range from \$3,500 to \$50,000 per acre. The EBRPD will generally purchase large parcels, and, as a result, is expected to lie at the lower end of the range at about \$6,500 per acre.

(2) The EBRPD expects to continue making acquisitions at close to its historical level. This analysis discounts the acquisition to account for uncertainties over land availability and prices and to avoid double-counting some of the revenues received by the EBRPD via mitigation agreements between the regulatory agencies and developers.

(3) EBRPD achieves some revenue via mitigation agreements between developers and regulatory agencies. This revenue has effectively been removed by applying the 75 percent rate of the land acquisition projection (see Note 2).

(4) Proportion of EBRPD land acquisitions budget from grants based on interviews with EBRPD staff and the EBRPD budget documents.

Table 3
Preliminary Estimate of Breakdown of Non-Fee Funds by Source
East Contra Costa County NCCP/ HCP; EPS #11028

Source	Average Per Annum	Total 30 Years		Type of Source
<u>On-Going Efforts</u>				
EBRPD/ Land Trusts (1)	\$2,166,667	\$65,000,000	100.0%	Mixed
	\$1,408,333	\$42,250,000	65.0%	Local
	\$650,000	\$19,500,000	30.0%	State
	\$108,333	\$3,250,000	5.0%	Federal
Byron Airport	<u>\$216,667</u>	<u>\$6,500,000</u>		Federal
Subtotal	\$2,383,333	\$71,500,000		--
<u>Additional Funding</u>				
Section 6 Funds (2)	\$1,500,000	\$45,000,000		Federal
WCB/ CalFed (3)	\$200,000	\$6,000,000		State
Future CA Park Bonds (4)	<u>\$133,333</u>	<u>\$4,000,000</u>		State
Subtotal	\$1,833,333	\$55,000,000		--
Total	\$4,216,667	\$126,500,000		--

Summary by Type of Source

Local	\$42,250,000	33%
State	\$29,500,000	23%
Federal	<u>\$54,750,000</u>	<u>43%</u>
Total	\$126,500,000	100%

(1) See Table 2.

(2) Based on a review of Section 6 grant funding to other HCPs throughout California.

(3) Rough estimate. Additional research being conducted.

(4) Expected increase in East County share of potential, future park bonds, due to NCCP/ HCP effort.

Sources: Federal, State, EBRPD websites and interviews; Contra Costa County; Economic & Planning Systems, Inc.

**Table 1
Potential Fee Inflaters
East Contra Costa County NCCP/ HCP**

Year	Consumer Price Index National (1)	Consumer Price Index - Western Region (2)	CPI - San Francisco/ Oakland/ San Jose (3)	Median Home Price / Sq Ft Contra Costa County (4)	Median Home Price / SqFt (Avg East Contra Costa cities [5])	OFHEO Housing Price Index, California (6)
1988	118.3	119.0	120.5	n/a	n/a	174.6
1989	124.0	124.6	126.4	n/a	n/a	211.1
1990	130.7	131.5	132.1	n/a	n/a	228.4
1991	136.2	137.3	137.9	126.0	115.5	227.6
1992	140.3	142.0	142.5	126.0	114.5	224.8
1993	144.5	146.2	146.3	124.0	117.3	216.3
1994	148.2	149.6	148.7	123.0	114.8	205.6
1995	152.4	153.5	151.6	120.0	106.3	201.7
1996	156.9	157.6	155.1	120.0	105.8	201.1
1997	160.5	161.4	160.4	126.0	105.8	206.4
1998	163.0	164.4	165.5	131.0	114.0	223.7
1999	166.6	168.9	172.5	146.0	134.5	241.4
2000	172.2	174.8	180.2	179.0	154.0	271.5
2001	177.1	181.2	189.9	208.0	179.3	306.1
2002	179.9	184.7	193.0	230.0	187.8	339.7
2003	184.0	188.6	196.4	n/a	n/a	380.8
<u>Avg. Annual Rate</u>						
1991 - 2001	2.66%	2.81%	3.25%	5.14%	4.49%	3.00%
1996 - 2000	2.35%	2.62%	3.82%	10.51%	9.85%	7.79%
2000 - 2003	2.23%	2.57%	2.91%	--	--	11.95%

- (1) From U.S. Bureau of Labor Statistics. <ftp://ftp.bls.gov/pub/special.requests/cpi/cpi.txt>
(2) From U.S. Bureau of Labor Statistics. <http://data.bls.gov/cgi-bin/surveymost>
(3) From U.S. Bureau of Labor Statistics. <http://data.bls.gov/servlet/SurveyOutputServlet>
(4) From RAND: California Association of Realtors data. <http://ca.rand.org/stats/economics/houseprice.html>
(5) Average of city data from Brentwood, Antioch, Byron, and Clayton.
(6) From Office of Federal Housing Enterprise Oversight. <http://www.ofheo.gov/media/pdf/1q04hpi.pdf>

Sources: Footnoted organizations; Economic & Planning Systems, Inc.

Jump Start Guidelines and Stay Ahead Requirements

The timing and sequence of land acquisition relative to impacts of covered activities is critical to the success of the HCP/NCCP. Land acquisition or purchase of easements must stay ahead of any impacts on vegetation communities and covered species habitat resulting from covered activities. This sequence ensures that impacts of development do not occur before adequate mitigation is identified for them, secured, and functioning. (Except, some habitat restoration may require a longer time to produce functional habitat). To meet this *stay ahead* provision at the beginning of HCP/NCCP implementation, some land should be acquired prior to any permits being issued under the HCP/NCCP to *jump start* the Preserve System. However, given the difficulty of acquiring land prior to collecting fees under the Plan, the jump start provision is a guideline.

The NCCPA requires that implementation of mitigation and conservation measures be “roughly proportional in time and extent to the impact on habitat or covered species authorized under the plan.” (California Fish and Game Code Sect. 2820(b)(9)). To meet the requirements of this section, CDFG requires that NCCPs make progress towards the final conservation goals (i.e., the ultimate size and configuration of the Preserve System) in proportion to the impacts of covered activities. The stay ahead provision in this Plan addresses this requirement.

Jump Start Guidelines. The Implementing Entity should acquire at least 500 acres of land before issuance of ESA and NCCPA permits according to the land cover and habitat requirements listed in Table 5-5. Jump start guidelines are approximately 2% of the expected preservation requirement and represent an aggressive but realistic goal for land acquisition prior to permit issuance. If these resources are not acquired in amounts sufficient to offset impacts (e.g., see Conservation Measures 1.2.2, 1.2.3, and 1.2.4), then coverage for these impacts cannot be extended by local jurisdictions.

Stay Ahead Requirement. During the first year after permit issuance, the Implementing Entity will be establishing its structure, collecting initial HCP/NCCP fees, and actively pursuing land acquisition deals with willing landowners (see Chapter 7 for more details on implementation). To allow the Implementing Entity to accumulate enough funds to purchase land from willing sellers, the stay ahead provision will only apply after 1 year of Plan implementation.

After 1 year of implementation, the Implementing Entity must abide by at least one of the following two stay ahead requirements during the first 10 years of the permit term (i.e., from the beginning of Year 2 to the end of Year 10). The Implementing Entity will strive to achieve both requirements but compliance will only be measured against one of the two options for the first 10 years. After Year 10, the Implementing Entity is required to meet only the first stay ahead provision. Two options are available to provide the Implementing Entity with more flexibility for land acquisition in the early stages of Plan implementation

and to provide an incentive for land acquisition in key areas of the inventory area:

1. The amount of each land cover acquired by the Implementing Entity as a proportion of the total requirement for each land cover type must be equal to or greater than the proportion of the impact to that land cover type expected under the maximum urban development scenario by all covered activities. For example, if 25% of the expected impacts to oak woodland have occurred, then at least 25% of the required land acquisition for oak woodland must also have occurred. The exceptions to this rule are annual grassland, ruderal, and cultivated agriculture (cropland, pasture, vineyard, orchard), which will be aggregated for the purposes of measuring compliance with the stay ahead requirement. That is, the sum of the impacts to these landcover types will be measured for stay ahead purposes against the sum of their acquisition requirements.

OR

2. The amount of annual grassland acquired by the Implementing Entity in Zone 2 as a proportion of the total requirement for annual grassland acquisition in Zone 2 (see Table 5-14) must be equal to or greater than the proportion of the impacts to annual grassland and all cultivated agriculture land cover types (cropland, pasture, vineyard, orchard), expected under the maximum urban development scenario by all covered activities. For example, if 40% of the expected impacts to annual grassland and cultivated agriculture land cover types have occurred, then at least 40% of the required acquisitions of annual grassland in Zone 2 must also have occurred. This option provides an incentive for the Implementing Entity to acquire land in Zone 2 early in Plan implementation because land in this zone is likely to be more expensive and at higher risk than land in other zones.

The Plan allows a 10% deviation from the strict requirements above without penalty to account for the likely pattern of infrequent land acquisition in large parcels. This allowable deviation will apply to either method employed by the Implementing Entity to calculate compliance with stay ahead requirements.

Land acquired in full or in part by state or federal agencies to contribute to species recovery under this Plan will also contribute to compliance with the stay ahead requirement. Because a portion of the Plan's conservation actions depend on contributions committed by the state and federal governments, the Implementing Entity's compliance with stay ahead requirements will depend in part on the fulfillment of these commitments. The Implementing Entity must recognize, however, that funds from public agencies will be available on budget cycles that may or may not correspond to the timing of covered activities in the permit area. Therefore, the Implementing Entity must be acquiring land on its

own and cannot rely solely on the timely availability of state or federal funds to acquire land.

The stay ahead provision will be evaluated on an annual basis (beginning at the end of Year 2) to determine if the “rough proportionality” standard of NCCPA is being met. If it is not met, the Implementing Entity, CDFG, and USFWS will meet within 90 days to review the situation and determine an appropriate course of action. And if, after the exercise of all available authority and utilization of all available resources, the federal and state contribution committed to the Plan cannot be provided in order to meet the stay ahead provision, the Plan and the stay ahead provision will be reevaluated in light of these limitations, with possible adjustments made to the Permit coverage and assurances, given the extent of the federal/state contribution.