

grant file .

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December 20, 2005

Laurie Collins
Chief Staff Counsel
Santa Monica Mountains Conservancy
Los Angeles River Center and Gardens
570 West Avenue Twenty-Six, Suite 100
Los Angeles, CA 90065

RE: Amendment of Proposition 50 Grant to MRCA for Vista Hermosa Park Project

Dear Ms. Collins:

You have asked that the Office of the Attorney General review the above-referenced amendment of a grant to the Mountains Recreation and Conservation Authority (MRCA) and advise the Conservancy whether the grant continues to comply with the General Obligation Bond Law and Proposition 50. We are reviewing this grant using our opinion standard pursuant to the language in the 2004/2005 budget which mandates Attorney General review of Conservancy grants from its appropriation of bond funds to insure compliance with the General Obligation Bond Law and the pertinent bond acts. We note that the Legislature has charged the Attorney General to review grants only to determine whether their purposes are consistent with the General Obligation Bond Law and the specific bond acts. Thus, our review does not address other questions such as the amount of the grant or compliance with other statutes. Nor do we address the budget for the grant except to determine whether the purpose of the funding is proper.

In August 2004, we reviewed the Conservancy's grant of \$3,269,700 in Proposition 50 bond funds to the MRCA for the first phase of the Vista Hermosa Park Project. In our August 24, 2004 letter, we found that the use of Proposition 50 funds for this project was proper under the General Obligation Bond Law and Proposition 50. The amendment to the grant does not alter the amount of the grant. Rather, the amendment changes Task 3 in the budget from Phase 2 Improvements to Project Planning and Design. The dollar amount allocated to Task 3 remains the same, and the Phase 2 improvement task is deferred to a later date.

Proposition 50 makes available \$200 million "for expenditures and grants for the purpose of protecting coastal watersheds, including, but not limited to, acquisition, protection, and restoration of land and water resources and associated planning, permitting and administrative costs." (Wat. Code, § 79570.) Thus, Proposition 50, consistent with Government Code section

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16727, authorizes the expenditure of bond funds for planning, permitting and administrative costs. Proposition 50 then provides \$40 million to the Conservancy to be expended for protection of the Upper Los Angeles River watershed and the Santa Monica Bay and Ventura County coastal watersheds. (Wat. Code, § 79570, subd. (c).)

The grant to the MRCA is for the acquisition and development of a capital asset, that is, a land and water resource in the Upper Los Angeles River watershed. As such, it is a proper expenditure of bond funds. Proposition 50 specifies that the monies dedicated to the Conservancy may be used for the planning, permitting and administrative costs associated with projects. Similarly, Government Code section 16727, subdivision (a) specifies that bond funds may be used to reimburse "costs incidentally but directly related to construction" including "planning, . . ., and other design work . . ." Therefore, funds for this project may be allocated for project planning which would necessarily include design. Thus, we find this amendment is proper under both the General Obligation Bond Law and Proposition 50.

Please do not hesitate to contact us if you have any questions about the foregoing.

Sincerely,



JOHN A. SAURENMAN
Supervising Deputy Attorney General

For BILL LOCKYER
Attorney General