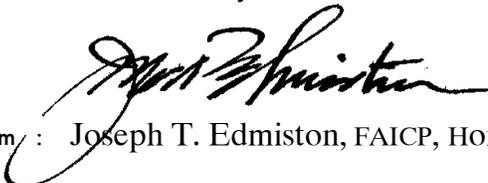


# Memorandum

To : The Conservancy  
The Advisory Committee

Date: June 1, 2009

From :  Joseph T. Edmiston, FAICP, Hon. ASLA, Executive Director

Subject: **Agenda Item 16: Consideration of resolution authorizing deferral of grants from Propositions 12, 40, 50, and 84 in accordance with Budget Letter 09-15.\***

Staff Recommendation: That the Advisory Committee and Conservancy adopt the attached resolution authorizing deferral of certain grants and partial payment on other grants, all as a result of the bond fund freeze and the anticipated partial release of funds.

Legislative Authority: Santa Monica Mountains Conservancy Act, Sections 33204.2; 33204.27, and 33211(c).

Background: As the members are well aware, on December 18, 2008 the Pooled Money Investment Board and the Department of Finance imposed a spending freeze that affected all relevant state general obligation bond issues (Propositions 12, 40, 50, and 84). In March and April of this year the State Treasurer sold state general obligation bonds (March sale) and Federal “Build America Bonds” (April sale) with the intent of allowing all projects previously approved (*i.e.* prior to December 18, 2008) to proceed. However, no new projects, contracts, or grant awards are allowed.

Funding gap analysis: Unfortunately, the total of the March and April bond sales does not equal the dollar amount of frozen projects. There were press releases distributed after the April sale that were overly optimistic about the ability to restart all projects subject to the freeze. The reality is that there is a substantial gap between available re-start funds and the total need for each project to be fully funded. Here is the breakdown by bond fund (most recent numbers as of May 27, 2009):

Proposition 84:

\$14,618,375 remaining in awarded grants and submitted to Sacramento;  
\$10,056,395 authorized to spend by Sacramento; and  
\$ 1,393,158 in currently due bills from completed work.

*Which leaves \$8,663,237 available and \$4,561,980 still on hold.*

Proposition 50

\$1,758,984 remaining in awarded grants and submitted to Sacramento;  
\$1,468,268 authorized to spend by Sacramento; and  
\$ 506,559 in currently due bills from completed work.

*Which leaves \$961,709 available and \$290,716 still on hold.*

Proposition 40

\$4,213,250 remaining in awarded grants and submitted to Sacramento;  
\$3,014,613 authorized to spend by Sacramento; and  
\$ 272,052 in currently due bills from completed work.

*Which leaves \$2,742,561 available and \$1,198,637 still on hold.*

Proposition 12

\$2,634,754 remaining in awarded grants and submitted to Sacramento;  
\$2,009,314 authorized to spend by Sacramento; and  
\$1,316,858 in currently due bills from completed work.

*Which leaves \$692,456 available and \$625,440 still on hold.<sup>1</sup>*

Bottom line: The Conservancy must defer or only partially fund **\$6,676,773** worth of projects.

Criteria used to make deferral , partial funding, or full funding recommendation: Staff has approached this task understanding that there is no totally objective way of making these decisions, yet we have tried to be as transparent as possible.

Deferral criteria:

- Planning studies unconnected to pending or planned capital projects are recommended for deferral. (Example: Griffith Park/LA River study.)

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<sup>1</sup>There is some confusion still about Prop 12 because the Confluence Park money is coming from State Parks and may have been counted twice. Staff is trying to sort that out.

- Desirable, but non-essential park improvements are recommended for deferral. (Example: King Gillette Ranch improvements.)
- Desirable, but non-essential interpretative elements are recommended for deferral. (Examples: Parklands map; LA River/Great Wall; Lottie Melhorn Overlook improvements, and Angeles NF overlook improvements.)
- Capital projects for which full funding to completion cannot be assured are recommended for deferral. (Example: Pacoima Wash Greenway-1st Street Park.)

Partial Funding:

- Projects where a reduced scope of work (in the short run) can still provide significant public benefits are recommended for partial funding. (This is the most numerous category and, in fact, most projects can proceed with reduced funding. This includes everything from staff intensive programs like ranger interpretation and vegetation management, to capital projects where the scope can be truncated [at least temporarily] and still achieve substantial objectives, such as Upper Las Virgenes and Mentryville improvements.)
- Projects that are tied to pending measures, such as the Los Angeles County Flood Control District proposed stormwater assessment, are recommended for partial funding. (Example: Green Solutions Study, Phase II.)

Full Funding:

- Payment of all invoices for work, on any project, that was done prior to the freeze notification (December 18, 2008) is recommended for full funding.
- Committed acquisition projects are recommended for full funding. (Examples: Annandale acquisition [Pasadena] and Coastal Slope Trail.)
- Projects where substantial construction has commenced and for which

there are adequate resources to complete the project are recommended for full funding. (Example: Confluence Park [ see note 1 on p. 2].)

- Projects where construction documents are ready and can be bid with the expectation that bids will be within available amounts. (Examples: Joel McCrea Ranch, West Mulholland Demonstration project.)
- Projects with relatively small remaining balances where it is more efficient to finish the project than to postpone it are recommended for full funding. (Examples: King Gillette Ranch health and safety improvements; minor capital outlay renovations, and Temescal Canyon improvements.)

Need for flexibility as projects proceed. Flexibility is needed so as to enable the staff to negotiate interim changes to the scope of work of grants that are recommended for partial funding. Flexibility is also needed should some projects become infeasible or should additional funds be made available.