

## **FISCAL YEAR 2020/21 PROGRAM AUTHORIZATION**

**Recommended Action:** Adopt Resolution 20-06-08 (Attachment 1) authorizing program expenditures of up to \$1,845,000 starting in Fiscal Year (FY) 2020/21 for purposes that include feasibility analysis, project planning and monitoring, land management, technical assistance, and authorizing continued land bank operations.

**Executive Summary:** This staff recommendation provides an overview of the California Tahoe Conservancy's (Conservancy) expected FY 2020/21 priorities and budget. Staff requests Board authorization of up to \$1,845,000 in state operational and capital fund program expenditures and authorization for continued land bank operations. The requested expenditures are a subset of the overall Governor's Budget for the Conservancy and have not been previously authorized by the Board. The expenditures include consultant and contract services, and license plate marketing to implement the Conservancy's Strategic Plan and corresponding operational plans. This recommended action allows for the initiation of work as program needs arise and supports ongoing Conservancy programs, such as the land bank operations.

The State anticipates significant economic impacts from the COVID-19 pandemic. The severe drop in economic activity is expected to result in a recession, significant decreases in state revenues, and significant increases in safety net programs. Conservancy staff worked with the Department of Finance on the proposed authorization to reflect potential reductions in expenditures. Actual Conservancy expenditures depend on the enactment of the budget and specific Conservancy priorities as established throughout the fiscal year, but will not exceed the total funds requested.

The recommended expenditures are consistent with all of the Strategic Plan's goals and strategies as described below.

**Location:** Program and project activities throughout the California side of the Lake Tahoe Basin (Basin).

**Fiscal Summary:** The requested FY 2020/21 authorization is \$1,845,000 from state operational and capital funding sources (Propositions [Prop.] 40, 50, 68, and 84, Habitat Conservation Fund, Tahoe Conservancy Fund, and Lake Tahoe Conservancy Account).

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## Overview

### History

The Conservancy's 2018-2023 Strategic Plan outlines the goals and strategies for how the Conservancy will fulfill its mission to lead California's efforts to restore and enhance the extraordinary natural and recreational resources of the Basin. The Conservancy Strategic Plan goals are:

1. Steward Conservancy Lands and Protect Basin Communities from Wildfire
2. Restore the Resilience of Basin Forests and Watersheds
3. Provide Public Access and Outdoor Recreation for All Communities
4. Foster Basinwide Climate Change Adaptation and Sustainable Communities
5. Strive for Organizational Learning and Excellence

Conservancy staff uses the Strategic Plan to guide its work and prepare annual operational plans, which provide detailed steps for implementation. The Program Authorization supports implementation of the Conservancy's Strategic Plan and corresponding operational plans, supports ongoing program work, and allows for the initiation of work as needs arise instead of waiting for the next available Board meeting.

Additionally, staff submits a proposed budget and related materials to the California Natural Resources Agency and the Department of Finance during the fall of each fiscal year. The proposed budget provides the necessary fiscal resources to achieve the Strategic Plan goals. The Governor's Budget for FY 2020/21 included most of the Conservancy's proposals. At the time of this writing, the legislature was preparing a final budget, and once enacted, funding will be available in the new fiscal year, starting on July 1, 2020 (Attachment 2).

The following are the Conservancy's FY 2020/21 priorities, by Strategic Plan goals, that are supported by the proposed FY 2020/21 budget.

#### Goal 1 – Steward Conservancy Lands and Protect Basin Communities from Wildfire

The Conservancy owns and manages nearly 4,700 parcels, including thousands of quarter-acre lots within the Basin's urban areas. These parcels provide open space, water quality and recreational benefits, and significantly reduce the potential level of development in the Basin. Yet, they also present challenges for the Land Management Program, including managing trespass and encroachments, responding to citizen concerns, and maintaining public facilities. Conservancy staff and Tahoe Resource Conservation District (Tahoe RCD) crews inspect, restore, and protect these parcels, and provide outreach and education at high-use sites, such as the Upper Truckee

Marsh. The Conservancy also coordinates interagency forest health projects and works with the USDA Forest Service, Lake Tahoe Basin Management Unit (LTBMU) to fund and implement vegetation treatments on Conservancy and LTBMU urban parcels.

FY 2020/21 Priorities:

#### Urban Lots, Open Space, and Recreation Facilities Management

- Maintain, restore, and inspect Conservancy lots for public safety, water quality, forestry, habitat, and recreational purposes.
- Implement the Conservancy's Americans with Disabilities Act (ADA) transition plan and associated upgrades.
- Resolve and reduce backlog of more than 500 encroachments on Conservancy lands.
- Implement deferred maintenance projects to maintain the value of Conservancy investments.
- Use Conservancy upland roads inventory to prioritize and plan resource projects that advance the Basin's Total Maximum Daily Load water quality requirements.
- Monitor and speak with users of high-use sites to raise public awareness of resource values, protection measures, and appropriate recreation activities.

#### Forest Health/Fuels Reduction/Hazard Tree Abatement

- Complete the Program Timberland Environmental Impact Report (PTEIR), pursuant to the California Environmental Quality Act (CEQA), to provide a comprehensive analysis of forest fuels treatments across state and private lands on the California side of the Basin and accelerate those treatments.
- Remove and utilize up to 17,500 tons of woody biomass thinned from forest restoration products implemented by partners.
- Continue to use Southern Nevada Public Land Management Act Round 16, Federal Emergency Management Act, and California Climate Investments funding to plan and implement high priority Community Wildfire Protection Plan projects.
- Assist Liberty Utilities in creating resilient powerline corridors on Conservancy lands.
- Collaboratively lead the Tahoe Fire and Fuels Team (TFFT) to align projects and objectives across multiple jurisdictions, and increase capacity for planning and implementing projects that protect communities. This includes coordinating hazardous fuel reduction grant applications, work planning, and reporting, and managing multiple TFFT work groups.
- Implement a collaborative strategy with the TFFT for cohesive management of public open-space lots and private lots in the residential environment.
- Use a Supplemental Project Agreement under Good Neighbor Authority with the LTBMU to accelerate community wildfire protection and resilience treatments, and to complete planning for the Lake Tahoe West Restoration Project (LTW).

## Goal 2 – Restore the Resilience of Basin Forests and Watersheds

The Conservancy plays a critical role in helping Basin partners plan and implement watershed restoration, including wildlife, stream environment, storm water quality, and aquatic invasive species (AIS) elements. The Conservancy is leading a long-term initiative to restore the Upper Truckee Marsh, the Basin's largest and most ecologically significant watershed restoration project. The Conservancy has also launched landscape initiatives that work across land ownerships and jurisdictions to increase the scale, pace, comprehensiveness, and efficiency of restoration in the Basin. The Conservancy will continue to focus on three landscape initiatives: the LTW, Tahoe-Central Sierra Initiative (TCSI), and Greater Upper Truckee River Watershed Partnership (UTP). In addition to these initiatives, the Conservancy will continue to invest in a range of Lake Tahoe Environmental Improvement Program (EIP) multiple-benefit projects.

### FY 2020/21 Priorities

#### Conservancy and Partner Lands

- Construct the Upper Truckee Marsh Restoration Project.
- Construct the Tahoe Pines Campground Restoration Project, another project with Basinwide significance for the recreation, open space, and habitat values it provides to Meyers and adjacent communities.
- Partner with Placer County, the California Department of Parks and Recreation (DPR), and Tahoe RCD to develop a restoration strategy for Pomin Park and Polaris Creek.
- Support Tahoe RCD in restoring and managing Johnson Meadow in the Upper Truckee River corridor.

#### Multijurisdictional Landscape Initiatives

- Complete planning, environmental review, and permitting for LTW, which is a single, large (59,000 acre) forest and watershed restoration effort with two other lead agencies: the LTBMU and Tahoe Regional Planning Agency (TRPA).
- Prepare a TCSI Action Plan, wood supply and forest industry business analyses, and grants to streamline large-scale project planning and resources surveys.
- Complete a synthesis of existing watershed, forest health, and recreation projects to identify new restoration opportunities as part of the UTP.
- Implement the AIS Action Agenda with EIP partners, including the AIS Coordinating Committee, and work with stakeholders to provide AIS control grants with Senate Bill 630 funding.
- Continue to award grants to partners for priority storm water treatment and habitat enhancement projects, and property acquisitions.

## Goal 3 – Provide Public Access and Outdoor Recreation for All Communities

The Basin is one of the United States' premier summer and winter recreation destinations. The Conservancy operates 11 facilities, including six popular beaches, and the largest wetland in the Basin, the Upper Truckee Marsh. The Conservancy

implements and funds recreation projects, including shared-use trails, that provide a wide variety of benefits, including open space, disadvantaged community access, lakefront access, physical health and well-being, community connectivity, wildlife viewing and native plant identification, and habitat and water quality protection. The Conservancy will continue to support public access and outdoor recreation projects for all communities, including an emphasis on shoreline access and access for disadvantaged communities in South Lake Tahoe and Kings Beach. The Conservancy will also continue to integrate public access into its watershed and forest restoration projects.

FY 2020/21 Priorities:

#### Conservancy Facilities and Projects

- Restore the Upper Truckee Marsh, mentioned under Goal 2, which provides public access to Lake Tahoe and extensive open space, including for disadvantaged communities in South Lake Tahoe.
- Continue co-managing Van Sickle Bi-State Park with the Nevada Division of State Parks, including supporting enhanced visitor accommodations and interpretive components, extended public transportation connections, expanded trail networks, and on-site maintenance and staff housing facilities.
- Continue providing highest quality support services through concession and management agreements at locations such as Carnelian West, Waterman's Landing, and other beaches on the north shore.
- Continue advancing the Connelly Beach project, which will provide increased public access along with recreational and bike trail amenities, while minimizing erosion and protecting water quality.

#### Partner Projects

- Support El Dorado County and the City of South Lake Tahoe in constructing the South Tahoe Greenway Shared Use Trail, Phases 1b and 2, which will provide exceptional neighborhood connectivity and sustainable community (livable, walkable, bikeable) benefits.
- Partner with the DPR to advance the designs and engineering for the Kings Beach General Plan and Pier Replacement Project, thereby enhancing disadvantaged community access to the north shore's premier recreation site.
- Support the City of South Lake Tahoe in advancing the Tahoe Valley Greenbelt Project, which provides a scenic pedestrian connection from a dense commercial area to adjacent neighborhoods, restores meadow habitat, and protects water quality.
- Support the LTBMU in constructing a new bridge over Griff Creek, as part of a trail network that provides public access, including disadvantaged community access for Kings Beach, and safeguards sensitive fish, wildlife, and botanical resources.

- Partner with the City of South Lake Tahoe and El Dorado County to develop a Master Plan for the 56-Acre Site. This Master Plan will provide a strategy for future developments at this site, which may include an outdoor amphitheater, new recreation center, and other recreational, environmental, and civic improvements.
- Support El Dorado County in advancing the Country Club Phase 3 Project, which improves access to the Upper Truckee River while restoring floodplain habitat and protecting water quality.

#### Goal 4 – Foster Basinwide Climate Change Adaptation and Sustainable Communities

The Conservancy is completing a Basinwide Climate Adaptation Action Portfolio (CAAP) that advances the regional adaptation called for in Safeguarding California, the State’s climate adaptation strategy. The CAAP builds on a recently completed assessment of the Basin’s vulnerability to climate change impacts. It identifies specific adaptation projects that sister agencies are currently undertaking or will shortly undertake. The Conservancy is also addressing climate impacts through its Tahoe Livable Communities (TLC) Program, which prioritizes acquisition and restoration of aging developed properties on environmentally sensitive lands (to then either retire or transfer the development rights to town centers); the sale, lease, or exchange of vacant Conservancy land in town centers; and prevention of future development by acquiring remaining private properties in roadless subdivisions.

FY 2020/21 Priorities:

#### Climate Adaptation

- Complete the CAAP, and begin a strategic planning exercise to identify long-term interagency adaptation needs and funding.
- Support Conservancy staff in further integrating adaptation science and adaptive practices in land management, forest and watershed restoration, recreation, and TLC programs.
- Partner with the University of California, Berkeley to consider how to best implement the findings from a previous Conservancy climate adaptation acceleration grant.
- Continue to provide grants and technical assistance to Basin partners that are leading adaptation to climate change.

#### Tahoe Livable Communities

- Partner with regional and local agencies to develop housing and sustainable development projects on state-owned parcels in the Basin.
- Identify and develop strategies to facilitate conversion of the Basin’s large inventory of aging motels into safe and affordable housing.
- Develop a community engagement strategy to solicit public input and enhance support for housing projects.
- Pursue key acquisitions.

- Continue to transfer coverage and marketable rights pursuant to TRPA, local, community, and state planning goals.

### Goal 5 – Strive for Organizational Learning and Excellence

The Conservancy’s operations provide the organizational backbone for its programs and investments. As a major part of implementing the Strategic Plan, staff has developed operational plans that guide how day-to-day tasks and project work contribute to Strategic Plan goals. The Conservancy will also fill key vacancies, provide professional development and mentorship, and upgrade its financial, recordkeeping, and other support systems to improve the accountability, transparency, and cost effectiveness of its programs.

#### FY 2020/21 Priorities:

- Invest in professional development and workforce health to increase staff autonomy and leadership, improve work products and efficiency, and retain staff for the long term.
- Support Conservancy board members in learning about and developing fluency with Conservancy programs and operations.
- Improve federal and state grant billing and reporting to support Conservancy expansion of grant-funded projects and programs.
- Continue integration of the state accounting system with bond accountability and reporting software.
- Continue accounting reconciliation of the federal trust fund account and re-appropriate deposits into the FY 2021/22 budget.
- Improve processes to monitor and document past projects, and work with partners to enhance their similar processes.
- Further develop and expand internal guidance documents related to grant and project management.
- Provide administrative, marketing, and other promotional activities associated with encouraging the sale of Lake Tahoe license plates.

### **Detailed Description of Recommended Action**

#### 1. Major Elements and/or Steps of the Recommended Action

The recommended action authorizes program expenditures for secure consultant and contract services and resources to implement the Conservancy operational plans. It also authorizes continued land bank operations. The requested funding amount, up to \$1,845,000, is a subset of the overall Governor’s Budget for the Conservancy. The funding is not previously authorized by the Conservancy Board and will support ongoing Conservancy operations.

Additionally, up to \$270,000 of funding from the Lake Tahoe Conservancy Account and Environmental License Plate Fund is for license plate marketing. Vehicle Code section 5060 provides that up to 25 percent of the Lake Tahoe license plate revenues may be

used for administrative, marketing, and other promotional activities associated with encouraging the sale of plates. The recommended authorization falls within this threshold.

| <b>Budget Authorization</b>                             | <b>FY 2020/21 Funding</b> |
|---|---------------------------|
| <b>Projects and Communications</b>                      |                           |
| Forestry Operations                                     | \$230,000                 |
| Watershed Planning                                      | \$200,000                 |
| Tahoe-Central Sierra Initiative Planning                | \$150,000                 |
| License Plate Marketing                                 | \$270,000                 |
| <b>Technical Assistance to Support Key Partnerships</b> |                           |
| Tahoe Livable Communities Program Development           | \$100,000                 |
| <b>Land Management on Conservancy Parcels</b>           |                           |
| Maintenance   | \$516,000                 |
| Restoration Projects                                    | \$379,000                 |
| <b>Total</b>  | <b>\$1,845,000</b>        |

### **Authority**

#### **Consistency with the Conservancy’s Enabling Legislation**

Program Authorization implementation is consistent with the Conservancy’s enabling legislation. Specifically, Government Code section 66906.8 authorizes the Conservancy to select and hire consultants or contractors to provide services necessary to achieve the purposes of the Conservancy, including protection of the natural environment at Lake Tahoe. Government Code section 66907.8 authorizes the Conservancy to lease, rent, or otherwise transfer, including through license agreements, any real property interest to fulfill the purposes of its enabling legislation and to promote the State’s planning priorities. Under Government Code section 66907.9, the Conservancy is authorized to initiate, negotiate, and participate in agreements for the management of land under its ownership and control with local agencies, nonprofit organizations, individuals, corporate entities, or partnerships. Government Code section 66907.10 authorizes the Conservancy to improve and develop acquired lands for a variety of purposes, including protection of the natural environment, protection of public access and recreational facilities, preservation of wildlife habitat areas, and facilitation of access to and management of Conservancy-owned lands.

#### **Consistency with the Conservancy’s Strategic Plan**

The recommended activities are consistent with all of the Conservancy’s 2018-2023 Strategic Plan goals and strategies.



### **Consistency with the Conservancy's Program Guidelines**

The recommended action is consistent with the Board's existing policy direction, including the Special Use Guidelines, Forestry Guidelines, Grant Guidelines, and Land Transfer Guidelines.

### **Consistency with External Authorities**

The recommended funds allow the Conservancy to conduct feasibility and conceptual analysis, which may result in projects that fulfill EIP, sustainability, and other Conservancy and statewide resource and environmental objectives. The land management activities are consistent with the EIP because they implement EIP project #06.01.03.0002 - California Tahoe Conservancy Land Management Program, and facilitate the implementation of other individual EIP projects related to forestry and restoration.

### **Compliance with the California Environmental Quality Act**

The Program Authorization does not involve any commitment to any specific activity which has the potential to result in either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment, and is therefore not a "project" within the meaning of CEQA. Staff will evaluate individual projects, however, prior to implementation to determine the appropriate level of CEQA review.

### **List of Attachments**

Attachment 1 – [Resolution 20-06-08](#)

Attachment 2 – [Fiscal Year 2020/21 Budget](#)

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