



**BOARD OF DIRECTORS
SEPTEMBER 28, 2007**

**AGENDA ITEM NO. 07-09-1A
ACTION REQUESTED - APPROVE**

**BOARD OF DIRECTORS DISCUSSION AND ACTIONS
JULY 13, 2007**

Chair Mary Sessom (Lemon Grove) called the meeting of the SANDAG Board of Directors to order at 10:14 a.m. The attendance sheet for the meeting is attached.

1. PUBLIC COMMENTS/COMMUNICATIONS/MEMBERS COMMENTS

There were no public comments/communications, or member comments at this time.

REPORT (2)

2. WORKSHOP ON REGIONAL HABITAT PRESERVATION (DISCUSSION)

Chair Sessom introduced this item, indicating that this is the third of three Board Policy meetings to discuss specific regional infrastructure needs identified in the Integrated Regional Infrastructure Strategy (IRIS) of the Regional Comprehensive Plan (RCP). Stormwater Management was discussed on May 11, and Beach Sand Replenishment was discussed on June 8. There are new members on the SANDAG Board since the adoption of the RCP, and after the January 2007 Board retreat it was decided that all members should be fully informed about these regional infrastructure needs through a series of policy workshops.

Chair Sessom said that we will hear an overview of the regional habitat conservation plans, why they were established, and their current status. We also will hear from a panel of experts representing the regional stakeholders. One of the purposes of these meetings is to help clarify the appropriate level of SANDAG involvement in this issue and next steps. The RCP identified a habitat preservation objective to "preserve and maintain natural biological communities and species native to the region." After the presentations, the Board will have an opportunity to discuss: is habitat preservation a regional issue, how do our past commitments on the *TransNet* Extension relate to the regional needs, and what is our future role in regional funding for habitat conservation plans? She then introduced Keith Greer, Senior Planner, to provide a presentation on the background of existing habitat conservation plans.

Mr. Greer provided an historical perspective on regional habitat conservation plans, and discussed why they were started; the current status of regional habitat conservation plans, their challenges and opportunities; the overall approach to obtaining funding for implementation of existing and future habitat conservation plans; and the relationship of the *TransNet* Extension Ordinance and *TransNet* Environmental Mitigation Program (EMP)

to regional funding needs for habitat conservation programs (HCPs). He reviewed outstanding regional issues such as the ability of jurisdictions to continue to implement and pursue HCPs without regional funding, the refinement of cost estimates for regional HCP implementation, the evaluation of existing funding sources that could reduce the regional funding need, and the evaluation of funding options available for future regional funding.

Marney Cox, Chief Economist, provided information related to economic prosperity and regional habitat conservation plans. In 1995, the size of the Multiple Species Conservation Plan (MSCP) South preserve was 172,000 acres, 80 percent of which was undevelopable. The primary economic disruption was caused by the listing of the California gnatcatcher, whose habitat is the coastal sage scrub. Some believed that the combination of these two issues would sink the economy. Three primary concerns that could disrupt the flow of economic growth were identified: the cost of mitigation, the cost of delay, and the cost of plan preparation. We created three scenarios: no preserve, preserve the coastal sage scrub only, and an approach from a multiple species point of view. The third scenario provides for more certainty. The three scenarios were run, and we looked at the impacts. The results were that the first two were worst for the economy due to the uncertainty from economic disruptions. The lesson was similar to what we know about transportation infrastructure. We need to treat open space issues more like a piece of infrastructure. If those issues get out of control, they have the power to short-circuit the local economy. We have come a long way since 1995. There is still a need to raise the status of habitat preservation and begin to consider it a true resource as other infrastructure. He then turned the presentation over to the panelists.

Matt Adams, representing the Building Industry Association, commented that he was gratified to have this opportunity to talk about the MSCP. One of his concerns is that we haven't talked about it enough with local elected officials. From the building industry's perspective, prior to the implementation of the MSCP, it had gotten to the point that there was an endless list of species that were threatened and endangered, and it was a bigger struggle to deal with this situation. It was becoming untenable and seriously interfered with their ability to provide homes for the growing population. The catalyst was the listing of the California gnatcatcher. That bird was being listed and its habitat was being eroded. This was the catalyst to discontinue the species-by-species or habitat-by-habitat approach. In exchange for higher than normal mitigation ratios, we would receive regulatory certainty. The MSCP is like an insurance policy for 85 species and habitats. You are able to know in advance the mitigation requirements. This is an essential tool for the building industry in order to determine a project's economic viability. Through the ten years that the MSCP has been implemented, the building industry has been very successful and has been able to move the projects set forth as long as they meet the requirements. Several projects have set aside as much as 60 percent of the project area.

When the local jurisdictions approved these documents, part of that agreement was to proceed with a long-term funding source. The building industry has met its obligations in terms of land set aside. Mr. Adams provided examples of projects that have provided significant portions of open space. In terms of habitat acquisition and from a business perspective, it has been a successful endeavor. The more habitats you require, the more financial obligations grow. That has been met through General Fund obligations, but in the future the size of the preserve will outmatch those funding sources. The building industry

has participated in supporting regional issues including the *TransNet* measure. We are ready to pursue and achieve the long-term goal.

Michael Beck, representing the Endangered Habitats League, showed five Southern California counties involved in these programs. We work on all the aspects of the program including negotiation, planning, funding, implementation, management and monitoring, and compliance with federal and state levels. The jurisdictions have the same issue as the development community in that they need certainty. Beyond this, the jurisdictions receive an opportunity to self-certify and self-permit for listed species. This is a huge thing in the environmental world. These plans also were adopted because of the process involved. Another reason that these plans were adopted is because of the economics. As long as the federal and state endangered species acts are in place, you have to do something like this or allow the regulators to implement those programs. We are falling behind on the biological perspective. We can't answer the question about how the gnatcatcher is doing. The money in *TransNet* will stop the bleeding but will not successfully implement these programs. The fundamental policy question is whether we will move forward with regional funding and how much and when. This is the third issue that has come before the SANDAG Board with a price tag (in addition to stormwater and beach sand). If we taxed ourselves for one-third of our commitment for transportation, we would have sufficient funds to handle our environmental obligations.

Jerre Ann Stallcup, representing the Conservation Biology Institute, addressed the back half of the conservation planning, which is the management and monitoring. She provided information on ecosystem management, the role of science, and primary threats to conserved lands. She provided examples of impacts to habitat fragmentation and actions needed to address those impacts including monitoring wildlife movement corridors, removing and controlling invasive species, restoring lands with native species, creating trails for public use, maintaining trails for public use, dealing with increased urban runoff from irrigation sources resulting in erosion and estuary sedimentation, and installing straw wattles to fortify banks. She said that management and monitoring requires a physical presence on the land and constant vigilance. We have altered the landscape in San Diego County so that it now needs our help.

Chandra Wallar, representing the County of San Diego Land Use and Environment Group, said that there are three subregions in the county with preapproved mitigation areas. To preserve these areas, it is desirable to have these lands acquired, managed, and monitored by local agencies. The first step in developing an MSCP is to identify lands to be preserved and lands available for development. Funding for implementation should be on a regional basis. Ongoing management and monitoring is a requirement of the implementing agreement. The MSCP is a plan on how the county will manage and monitor these areas. The county has acquired over 4,000 acres of its 9,000-acre goal. As we near our goal for acquisition, we will see the need for funding shift from land purchased to management and monitoring. Ms. Wallar reviewed activities in each of the three subregions. Next steps are to update the cost estimates for acquisition, management, and monitoring. Then we need to determine the funding gap and analyze possible funding sources.

Chair Sessom introduced Coronado Mayor Pro Tem Carrie Downey, Chair of the EMP Working Group, to provide information related to planning for the future.

Mayor Pro Tem Downey said that if these plans are fulfilled, the ultimate goal is for some of these species to be removed from the endangered lists. We have done a great job in San Diego. The federal government sends people to San Diego because we have set the standard on how to do this. We did the right things first. We are trying to use the *TransNet* money to complete that acquisition. We have to manage and monitor these lands properly. We have a three-part funding scenario including the state and federal government. It is now time for us to step up locally. The benefit to our citizens by doing this is open space. The next steps are to refine our costs, evaluate the funding gaps, and come up with a strategy and a plan and how to fill the funding gap.

Chair Sessom asked if there were any questions from Board members.

Mayor Art Madrid (La Mesa) asked if we have identified the exact amount of money that each jurisdiction is accountable for. Mr. Greer answered affirmatively and said that we can estimate by jurisdiction. If a jurisdiction has an implementing agreement contract, it will know what that cost is. He added that there are no acquisition needs coming from La Mesa.

Mayor Madrid asked Ms. Stallcup if the invasive plants can continue to grow without pollination. Ms. Stallcup said these plants are not self-pollinating but increased irrigation from runoff helps those species defeat the native species.

Mayor Madrid stated he has heard that a jurisdiction that was working against the invasion of nonnative plants and this jurisdiction was being criticized. Ms. Stallcup stated that jurisdictions that have signed implementing agreements have ordinances in place that require landscaping adjacent to open space to be native landscaping and prohibiting nonnative species.

Mayor Madrid asked Ms. Stallcup if she would be willing to send a Letter to the Editor in support of that jurisdiction. Ms. Stallcup agreed to do that.

Robert Smith (Southern California Tribal Chairmen's Association) asked if the panel considered the tribes and offered to partner with the region to meet its conservation goals. They have 50,000 acres of land.

Councilmember Matt Hall (Carlsbad) stated that Carlsbad has an approved HCP but is working on its housing element. One problem is the mitigation management and monitoring. They have had a problem with managing/monitoring companies going out of business.

Ms. Stallcup said that the idea is to cooperate and share resources so each jurisdiction is not providing all the same resources to manage their lands. There are economies of scale. The EMP Working Group is trying to develop cooperative managing and monitoring infrastructure throughout the county.

Mr. Beck noted that there is a significant opportunity to engage nonprofit organizations and science programs in school districts to help with the management/monitoring of those lands.

Councilmember Hall commented that Carlsbad has competing issues such as housing and open space, and we are facing a challenge to accomplish both.

Ed Gallo, Chair, North County Transit District Board (NCTD), asked if the tribal governments were included, and what is the benchmark for local jurisdictions that have limited habitat. Mr. Greer replied that those jurisdictions with limited habitat space have no incentive to have an agreement.

Mr. Gallo asked what portion of the *TransNet* Extension is for environmental purposes. Mr. Gallegos replied that the total is \$850 million; with \$650 million for direct mitigation, (including \$450 million for major transportation projects and \$200 million for local streets and roads), and about \$200 million for a Regional Habitat Conservation Fund.

Mr. Gallo asked if the cost estimate included the *TransNet* funds. Mr. Greer replied that the regional costs were gross, without reductions associated with the *TransNet* funds.

Supervisor Ron Roberts (County of San Diego) asked how many agencies actually have budgeted funds within their General Funds for acquisition or maintenance. Mr. Greer responded that six jurisdictions have implementing agreements that include a commitment to fund the effort through their General Funds. Mr. Beck added that the six jurisdictions are the City and County San Diego, Carlsbad, Chula Vista, La Mesa, and Poway.

Supervisor Roberts stated that the slides about invasive vegetation looked to be in a rural setting, yet Ms. Stallcup's comments were about urban area runoff. He asked how we know when what is happening is within our control or not. Ms. Stallcup answered that all of those slides were taken in western San Diego County in the urban area. The reason those nonnative species were there is because they are surrounded by development, and the seeds are spread by wind or carried by people. San Diego actually started conserving lands ages ago, but we have not managed and monitored them well and have allowed the invasive species to get a head start on us.

Mayor Lesa Heebner (Solana Beach) asked Mayor Pro Tem Downey if any of the lands would revert to buildable lands. Mayor Pro Tem Downey answered that the lands would be preserved in perpetuity.

Councilmember Crystal Crawford (Del Mar) asked if we have reached agreement with the wildlife agencies on the current EMP agreement. Mr. Greer replied that the state and federal governments have provided a draft memorandum of understanding (MOU), staff has reviewed that agreement and will provide comments in the next several weeks.

Mayor Pro Tem Downey added that within the next couple of months this MOU should come back to the SANDAG Board for approval.

Mr. Gallegos commented that the challenge has been the requirement to secure all of the permits.

Councilmember Crawford said that this is something we haven't done before and hopefully we are creating a model. Mr. Gallegos added that we are not slowing anything down such

as work on State Route (SR) 76 to acquire property for that project. We are still moving forward while we are working on the MOU.

Councilmember Crawford asked Mr. Cox to discuss the positive effects of biodiversity and land preservation on tourism. Mr. Cox stated that we have not quantified that effect, but there is interest in the East County to promote ecotourism as a concept. There are opportunities to earn economic benefits or revenue from this process.

Mr. Beck mentioned the positive impacts on home values adjacent to open space that have been quantified.

Mayor Sessom asked public speakers to limit their comments to two minutes.

Jim Waring, City of San Diego, commented that what we have learned in trying to monitor is that it is a regional issue, and funding will be the key to success. The City is very excited this board is studying a regional funding source.

Jim Whalen, Alliance for Habitat Conservation, recommended that the Board use the *TransNet* funding as leverage, get plans completed in the region, and assurances of permit streamlining, and get it all in place before starting on projects. He felt that the costs of management and monitoring are way out of control. He suggested that we spend available funds on finishing the MSCP rather than acquiring lands.

Diane Nygaard, Sierra Club, noted that they have a number of concerns on how habitat conservation is working. We need to fund and implement the programs. She agreed with staff that this is a regional role. Every area needs to adopt and fund its local plan and pay its fair share of habitat preservation. She asked that SANDAG consider an incentive plan for habitat preservation similar to what is being done for housing. The MSCP stakeholders group needs to: get going, better coordinate with water planning, and develop a real plan and schedule for the regional funding source.

Mike Kelly, Conservation Chair for Friends of Penasquitos Canyon Preserve, said that they are strong supporters of regional planning and regional funding. You need to connect the open space system to sustain the preserved open space lands.

Patti Brindle, Poway City Planner and EMP Working Group member, stated Poway's support to move forward with a regional funding source. More than half of the city's acreage is in the preserve. The primary funding source has been the city's general fund. The long-term success of habitat preservation will only occur with a regional funding source.

Dave Mayer, California Department of Fish and Game, said that the state and federal governments have come up with acquisition monies. One thing that gets lost is that the MSCP is to address economic impacts. The state Endangered Species Act has a higher standard when you go project-by-project. He stated that state and federal funds are not an endless revenue stream for monitoring costs. The plans have to address the species coverage and be able to withstand legal challenges.

Therese O'Rourke, US Fish and Wildlife Service, stated that their focus is on the recovery of species. One of the best opportunities to ensure that is to provide habitat for those species.

What you have done in San Diego is of national significance, and San Diego has some of the first and best permits in the country. We are hoping the national leadership will continue. The federal government really wants the multiple species permit in place, even though it's based on long-term funding. She urged the Board to resolve the long-term funding issue.

Barbara Redlitz, Escondido Assistant Planning Director, said that they do not have an adopted plan but have been acquiring land. The key reason is that every acre of preserved habitat comes with the responsibility to pay for and manage those lands. She emphasized the regional nature of this issue. Escondido has committed one-third of the 20,000 acres in the MHCP, and one-quarter of that is land owned by the City of Escondido. In the eastern part of the city we have more of a relationship and connectivity with unincorporated lands. We feel a regional funding program would provide consistency. She urged the Board to continue to pursue this solution.

Kathy Viatella, project director with the Nature Conservancy, said that San Diego is a globally recognized biological hotspot. We have been committed to the regional habitat conservation plans and to addressing local needs for management and monitoring. We have put \$26 million into San Diego County and have leveraged state and federal money. They stand committed to help the area find a regional funding source.

Robert Fisher, US Geological Survey and EMP Working Group member, said that this is an infrastructure issue. What we didn't do well was link stormwater management, beach replenishment, and land management to maintain the ecological standards. We are working with Caltrans on SR 76 on an engineering solution to environmental concerns. A lot of those costs are upfront science costs.

Chair Sessom stated that we will come back in October with a summary of all three of these workshops. Staff is looking for a discussion and direction by Board members.

Councilmember Gallo commented that everyone agrees this is a regional issue, and we have to include the tribal governments. He didn't know how we are going to fund this effort. He asked why we have to manage something that is doing okay on its own. We need to look at this. We have created an industry of environmental management companies. If SANDAG is the Metropolitan Planning Organization and the planning agency for the county, then we are the top agency with responsibility for this issue.

Mayor Madrid stated that if this region has been the poster child for the federal government in terms of preserving open space, then we ought to develop a strategy to continue to do this in an equitable fashion. We should try to make sure that we have a definitive amount of resources to devote to this project.

Councilmember Crawford noted that habitat is not doing well because of the impacts of development and uses, so we need to do more to protect the quality of life in the county and in the region. The biodiversity of our county directly impacts our economy. It is absolutely a regional issue, and it is becoming more critical. One of the benefits of working as the SANDAG representative on the California Biodiversity Council is learning what other areas have done. She reported recently on off-road vehicle usage and how you can incorporate off-road use with the preservation of habitat. We need to utilize the funding

sources to address these issues and to continue to press for implementation of the HCPs so that we have that countywide as quickly as possible.

Mayor Mark Lewis (El Cajon) agreed that there is a regional responsibility. He was glad to see the building industry and environmentalists working together on this issue. We have to preserve what we have.

Supervisor Roberts stated that well over a decade ago, we tried to map out what the model would look like and how we needed to get there. The one, clear thing is that it will take a lot of money and ongoing dollars--it is not a one-time expense. Habitat management, stormwater issues, and beach sand replenishment need to be linked. Don't plan for one in isolation of the others. This is a regional issue. The question is how do we go forward and deal with this. We need to look at these three issues for a future ballot initiative and put together a sound package so that we can get the support that will be needed. We also need to come up with some realistic measurement tools on the cost for management per acre. I think if we do that there will be a tremendous appeal countywide in having a blanket solution to all of these issues.

Mayor Jim Desmond (San Marcos) said they have not yet adopted a conservation plan because the costs are not defined and there are broad objectives for management and monitoring. He asked that staff bring back more definitive management/monitoring costs.

Councilmember Hall noted that some communities along the coast still have the opportunity to set lands aside; however, it is hard when there also are requirements for housing needs. These competing interests should be considered.

Councilmember Jack Dale (Santee) stated that one of the benefits is streamlining, and we need to define what this means. We also need to prioritize between land acquisition and management/monitoring. We need to set those limits and then work within them.

Action: This item was presented for information.

3. UPCOMING MEETINGS

The next Board meeting is scheduled for Friday, July 27, 2007, at 9 a.m.

4. ADJOURNMENT

The meeting was adjourned at 12:14 p.m.

DGunn/M/DGU

Meeting Adjourned Time: 12:14 p.m.
Meeting Start Time: 10:14 a.m.
Minimum Time for Attendance Eligibility: 1 Hr. or 11:14 a.m.

ATTENDANCE SANDAG BOARD OF DIRECTORS' MEETING JULY 13, 2007

JURISDICTION/ ORGANIZATION	NAME	ATTENDING
City of Carlsbad	Matt Hall (Member)	Yes
City of Chula Vista	Cheryl Cox (Member)	Yes
City of Coronado	Phil Monroe (Member)	Yes
City of Del Mar	Crystal Crawford (Member)	Yes
City of El Cajon	Mark Lewis (Member)	Yes
City of Encinitas	Jerome Stocks, 2nd Vice Chair (Member)	Yes
City of Escondido	Ed Gallo (1st Alternate)	Yes
City of Imperial Beach	Jim Janney (Member)	Yes
City of La Mesa	Art Madrid (Member)	Yes
City of Lemon Grove	Mary Sessom, Chair (Member)	Yes
City of National City	Ron Morrison (Member)	Yes
City of Oceanside	James Wood (Member)	Yes
City of Poway	Mickey Cafagna (Member)	No
City of San Diego - A	Toni Atkins	Yes
City of San Diego - B	Jim Madaffer	Yes
City of San Marcos	Jim Desmond (Member)	Yes
City of Santee	Jack Dale (Member)	Yes
City of Solana Beach	Lesa Heebner (Member)	Yes
City of Vista	Judy Ritter (Member)	Yes
County of San Diego - A	Ron Roberts (Member A)	Yes
County of San Diego - B	Bill Horn (Member B)	No
Caltrans	Bill Figge (Alternate)	Yes
MTS	Jerry Rindone (1st Alternate)	Yes
NCTD	Ed Gallo (Member)	No
Imperial County	Victor Carrillo (Member)	No
US Dept. of Defense	CAPT Steve Wirshing (Member)	No
SD Unified Port District	Michael Bixler (Alternate)	Yes
SD County Water Authority	Marilyn Dailey (Member)	Yes
Baja California/Mexico	Luis Cabrera Cuaron (Member)	No
Southern California Tribal Chairmen's Association	Robert H. Smith (Member)	Yes