CVCC

COACHELLA VALLEY CONSERVATION COMMISSION
FINANCE COMMITTEE
AGENDA

THURSDAY, AUGUST 27, 2026
8:30 a.m.

Coachella Valley Association of Governments
74-199 El Paseo, West Building, Suite 100
Palm Desert, CA 92260

Members of the Committee and the public may attend and participate by video at the following remote location:

2434 East 4430 South
Holladay, Utah 84124

Members of the public may use the following link for listening access and ability to address the Finance Committee when called upon:

https://us02web.zoom.us/j/82679429375?pwd=yaZH2lgPy24TwWMKd9CCW5zU99H9sp.1

Dial In: + 1 669 900 9128
Webinar ID: 826 7942 9375
Password: 011862

Public Comment is encouraged to be emailed to the Finance Committee prior to the Meeting at cvag@cvag.org by 5:00 p.m. on the day prior to the committee meeting.

THIS MEETING IS ADA ACCESSIBLE.
ACTION MAY RESULT ON ANY ITEMS ON THIS AGENDA.

1. **CALL TO ORDER –** Councilmember Gary Gardner, Chair, City of Desert Hot Springs
Roll Call **P4**
Agenda Modifications
Conflict of Interest Disclosure

2. **PUBLIC COMMENTS ON AGENDA ITEMS**

This is the first of two opportunities for public comment. Any person wishing to address the Finance Committee on items appearing on this agenda may do so at this time. At the discretion of the Chair, comments may be taken at the time items are presented. Please limit comments to three (3) minutes.

3. **CONSENT CALENDAR**

A. Approve the minutes of the May 28, 2026, meeting of the Finance Committee **P5**

4. **DISCUSSION / ACTION**

A. Local Development Mitigation Fee Nexus Study Revision – Peter Satin **P8**

Recommendation: Recommend staff work with the consultant to finalize the report utilizing the assumptions described in the attached summary findings of the 2026 Local Development Mitigation Fee (LDMF) Nexus Study

5. **INFORMATION**

A. CVCC's Quarterly Investment Report through June 30, 2026 **P30**

B. CVCC's Unaudited Financial Reports through June 30, 2026 **P31**

6. **PUBLIC COMMENTS ON NON-AGENDA ITEMS**

This is the second opportunity for public comment. Any person wishing to address the Finance Committee on items of general interest within the purview of this Committee may do so at this time. Please limit comments to two (2) minutes.

7. **ANNOUNCEMENTS**

The next meeting of the Coachella Valley Conservation Commission will be held on Thursday, September 10, 2026, at 10 a.m. at the Coachella Valley Water District Steve Robbins Administration Building Training Room, 75515 Hovley Lane East, Palm Desert, 92260.

8. ADJOURNMENT

ITEM 1

Coachella Valley Conservation Commission
FINANCE COMMITTEE
Member Roster

City of Desert Hot Springs	**Councilmember Gary Gardner,** *CVCC Chair*
City of Indio	**Mayor Elaine Holmes,** *CVCC Vice Chair*
City of La Quinta	**Mayor Linda Evans**
City of Palm Desert	**Mayor Evan Trubee**
City of Indian Wells	**Finance Director Kevin McCarthy**

Staff
Tom Kirk, Executive Director
Claude Kilgore, CVCC Auditor/ Director of Finance
Kathleen Brundige, Director of Conservation

Coachella Valley Conservation Commission
Finance Committee Meeting Minutes
May 28, 2026

1. **CALL TO ORDER / ROLL CALL** – The meeting was called to order by Chair Gary Gardner, City of Desert Hot Springs, at 10:01 a.m. at the Coachella Valley Association of Governments, located at 74-199 El Paseo Dr., Suite 100, Palm Desert, 92260.

   ROLL CALL – Roll call was taken, and it was determined that a quorum was present.

Members Present	**Jurisdiction**
Councilmember Gary Gardner, *Chair*	City of Desert Hot Springs
Mayor Linda Evans	City of La Quinta
Mayor Evan Trubee	City of Palm Desert
Finance Director Kevin McCarthy	City of Indian Wells

Members Not Present	**Jurisdiction**
Mayor Elaine Holmes, *Vice Chair*	City of Indio

   No agenda modifications or conflict of interest disclosures were announced.

2. **PUBLIC COMMENTS ON AGENDA ITEMS**

   None

3. **CONSENT CALENDAR**

   IT WAS MOVED BY MAYOR EVANS AND SECONDED BY MAYOR TRUBEE TO:

   A. Approve the minutes of the January 5, 2026, meeting of the Finance Committee

   B. Adopt Policy No. 26-01, updating CVCC's previous Asset Capitalization Policy to identify major capital asset classes, increase capitalization thresholds, and establish useful lives among other updates

   THE MOTION CARRIED WITH 4 AYES AND 1 MEMBER ABSENT.

Councilmember Gary Gardner	**Aye**
Mayor Elaine Holmes	**Absent**
Mayor Linda Evans	**Aye**
Mayor Evan Trubee	**Aye**
Finance Director Kevin McCarthy	**Aye**

4. **DISCUSSION / ACTION**

A. Fiscal Year 2026-27 Agency-Wide, Programs, and Individual Funds Budget

Director of Finance Claude Kilgore presented the staff report, providing an overview of the agency-wide preliminary budget and highlighting its key components.

A lengthy discussion followed regarding the information presented, including questions about the decline in revenues, the factors contributing to it, and addressing long-term sustainability issues.

IT WAS MOVED BY DIRECTOR MCCARTHY AND SECONDED BY MAYOR EVANS TO RECOMMEND THE COMMMISSION APPROVE THE BUDGET FOR FISCAL YEAR 2026-27, PENDING THE INCLUSION OF ANY COMMITTEE FEEDBACK

THE MOTION CARRIED WITH 4 AYES AND 1 MEMBER ABSENT.

Councilmember Gary Gardner	**Aye**
Mayor Elaine Holmes	**Absent**
Mayor Linda Evans	**Aye**
Mayor Evan Trubee	**Aye**
Finance Director Kevin McCarthy	**Aye**

B. Stipend Policy Update for Elected Committee Members

Mr. Kilgore presented the staff report.

A brief discussion followed regarding the information presented. Members expressed a preference for equal compensation across all committees, regardless of whether the amount is $125 or $150, and indicated their support for the compensation level should mirror whatever is approved by CVAG's Executive Committee, which will consider the issue at an upcoming meeting.

IT WAS MOVED BY DIRECTOR MCCARTHY AND SECONDED BY MAYOR TRUBEE TO ADOPT POLICY NO. 26-02, AMENDING CVCC'S PREVIOUS STIPEND POLICY TO WHATEVER STIPEND AMOUNT IS SET BY CVAG'S EXECUTIVE COMMITTEE

THE MOTION CARRIED WITH 4 AYES AND 1 MEMBER ABSENT.

Councilmember Gary Gardner	**Aye**
Mayor Elaine Holmes	**Absent**
Mayor Linda Evans	**Aye**
Mayor Evan Trubee	**Aye**
Finance Director Kevin McCarthy	**Aye**

C. Local Development Mitigation Fee Nexus Study Revision

Program Manager Peter Satin introduced Teifion Rice-Evans, Managing Principal at Economic & Planning Systems, Inc., who joined the committee via Zoom, and provided an in-depth presentation on the study.

A robust discussion ensued regarding the information presented and the potential approaches to presented.

No action was taken. Staff agreed to provide an update via a written report distributed by email, after which the committee could determine whether an additional meeting was necessary for further discussion.

5. INFORMATION ITEMS

A. CVCC's Quarterly Investment Report through March 31, 2026

B. CVCC's Unaudited Financial Reports through March 31, 2026

C. Governmental Accounting Standards Board's (GASB) Video Series

These items were placed in the agenda for members' information.

6. PUBLIC COMMENTS ON NON-AGENDA ITEMS

None

7. ANNOUNCEMENTS

The next meeting of the Coachella Valley Conservation Commission will be held on Thursday, June 11, 2026, at 10:30 a.m. at the Coachella Valley Water District Steve Robbins Administration Building Training Room, 75515 Hovley Lane East, Palm Desert, 92260.

8. ADJOURNMENT

Chair Gardner adjourned the meeting at 11:29 a.m.

Respectfully submitted,

Elysia Regalado
Deputy Clerk

ITEM 4A

Coachella Valley Conservation Commission
Finance Committee
August 27, 2026

CVCC

STAFF REPORT

Subject: **Local Development Mitigation Fee Nexus Study Revision**

Contact: Peter Satin, Conservation Program Manager (psatin@cvag.org)

Recommendation: Recommend staff work with the consultant to finalize the report utilizing the assumptions described in the attached summary findings of the 2026 Local Development Mitigation Fee (LDMF) Nexus Study

Background: The Coachella Valley Multiple Species Habitat Conservation Plan (CVMSHCP) authorizes the imposition of the Local Development Mitigation Fee (LDMF) on all development on previously undisturbed lands within the CVMSHCP boundary. This development impact fee is assessed pursuant to the Mitigation Fee Act (Government Code section 66000, *et seq.*), and as such, requires a periodic nexus be established between the impacts caused by growth-oriented development and the necessary public facilities required to sustain that growth. Critical components of any nexus study include the total cost of the proposed facilities, an accounting of other revenue sources that may be applied to the facilities' buildout, and an assessment of the projected growth driving the need for the facility.

Within the context of the CVMSHCP, the entire 746,000-acre Reserve System constitutes the public facility, and the local permittee contribution of 100,800 acres to the Reserve System is driven entirely by development and infrastructure capacity enhancements. The LDMF was projected to fund the majority of land acquisition required to complete the local permittees' Reserve System assembly obligation, with additional funding from regional arterial mitigation proceeds and proceeds from the endowment. As originally contemplated, LDMF revenues were to be applied exclusively to land acquisition and related costs, with the remainder of the CVMSHCP's operating costs to be funded through tipping fees and contributions from the endowment. However, early in the CVMSHCP's implementation, certain expected funding sources never materialized: the proposed Eagle Mountain landfill program, which would have contributed more than $247 million to the CVMSHCP's operating costs, fell through; and contributions to the endowment have taken place more slowly than originally anticipated, limiting its ability to subsidize other activities.

In light of the above funding gaps, CVCC in 2011 commissioned a revision to the CVMSHCP's original LDMF nexus study. This 2011 update made two critical revisions to the LDMF program by extending the Reserve System assembly period from 30 years to 45 years, and by allocating a portion of LDMF revenues to cover land management and biomonitoring of the Reserve System. Notably, the 2011 update assumed that, starting in 2021 continuing throughout the CVMSHCP's duration, approximately 1,610 acres of development subject to the LDMF would occur annually. This 2011 nexus study remains the most current assessment of Reserve System facility costs and CVMSHCP implementation expenses.

In 2023, CVCC staff began updating their acquisition program policies and procedures, beginning with an internal review of land values within the CVMSHCP's 21 designated Conservation Areas, and then revising its acquisition policy to allow for more flexibility in setting acquisition targets. As part of that update, CVCC staff recommended pursuing an updated nexus study to better reflect current land valuations and CVMSHCP revenues and expenditures. In September 2025, after a public procurement process, CVCC entered into a professional service agreement with Economic & Planning Systems, Inc. (EPS) to conduct a land valuation and LDMF nexus update.

As part of the contracted scope of work, CVCC staff asked EPS to verify assumptions made in the 2011 nexus study regarding the pace of development and the rate of acquisition, and to propose, as warranted, a variety of fee implementation scenarios. While land valuations have remained largely stable over the preceding 15 years, and remain the primary driver behind the fee rate, there has been a slight uptick in Reserve System monitoring costs compared to the 2011 nexus assumptions. The largest distinction between the 2011 nexus study and the current update is the assumed pace of development: Where the earlier nexus study utilized a rate of development on undisturbed lands of 1,610 acres per year, recent CVCC fee data suggest the pace of development on such lands within the Coachella Valley is closer to 500 acres per year – roughly a third of what was anticipated. In light of this finding, one of the scenarios analyzed involves extending the land acquisition period from the current 45 years to 75 years to accommodate the lower levels of annual development requiring mitigation.

Another scenario CVCC staff were particularly interested in evaluating is the effect on fee rates if CVCC began acquiring land in fluvial sand transport corridors. As originally conceived, the corridors did not have any explicit acquisition target, and permittees were instead to implement land use planning policies to ensure the maintenance of fluvial sand transport capacity. However, CVCC staff have observed in recent years upward development pressure in these regions leading to concerns that land use policies alone may be insufficient to maintain fluvial sand transport capacity, and that some level of acquisition may be warranted to prevent undue constriction of these sand transport corridors.

CVCC staff presented the above information, alongside EPS's preliminary findings regarding fee schedules, to the CVCC Finance Committee in May 2026. Based on the feedback from Committee members, staff prioritized the 75-year acquisition scenario over the 45-year scenario both for its more realistic acquisition schedule as well as creating a more equitable application of impact fees to future development, and further continued exploring the fluvial sand transport acquisition scenario. Since then, the project team has completed an initial LDMF nexus report draft, incorporating minor revisions to the financing model and vetting through legal counsel before circulating the draft to the California Department of Fish and Wildlife and United States Fish and Wildlife Service (collectively, the Wildlife Agencies), the Desert Valleys Builders Association (DVBA), and local permittee[1] staff for comments. CVCC staff also hosted technical workshops with DVBA staff and the Wildlife Agency representatives.

The written comments from DVBA and from the Wildlife Agencies center on two concerns: One is the extension of the acquisition period over a 75- year period and the second is the inclusion of the fluvial sand transport scenario in the nexus study analysis. CVCC is working to address the Wildlife Agencies' concerns about the acquisition period in part by also providing an analysis of a 60-year acquisition period. Results from the 60-year acquisition period scenario (Table 1) are included here alongside the 75-year acquisition period scenario (Table 2) for comparison purposes.

[1] Local permittees include the Cities of Cathedral City, Coachella, Desert Hot Springs, Indian Wells, Indio, La Quinta, Palm Desert, Palm Springs, Rancho Mirage, and the County of Riverside.

Table 1: Fee schedule under the 60-year acquisition period. Note the change in fees starting in year 61.

	No FST[1]		FST	
Fee Category	Years 17-60	Years 61-75	Years 17-60	Years 61-75
Commercial/Industrial (ac)	$16,084	$6,598	$17,058	$6,598
Residential (du/ac)				
0-8	$2,884	$1,183	$3,059	$1,183
8.1-14.0	$1,632	$669	$1,731	$669
>14.0	$644	$264	$683	$264

[1]Fluvial sand transport

Table 2: Fee schedule under the 75-year acquisition period. Fees would remain constant over the remainder of the permit term

	No FST[1]	FST
Fee Category	Years 17-75	Years 17-75
Commercial/Industrial (ac)	$13,818	$14,545
Residential (du/ac)		
0-8	$2,478	$2,608
8.1-14.0	$1,402	$1,476
>14.0	$554	$583

[1]Fluvial sand transport

The second question that has materialized pertains to the fluvial sand transport scenario, which would add about $20 million in additional acquisition costs to CVMSHCP implementation and was discussed during the Finance Committee's May meeting. Since the previous update, the County of Riverside has circulated the draft Cabazon Community Plan (CCP) for environmental review and comment. The proposed CCP shares significant geographical overlap with the Cabazon Conservation Area, a critical corridor for fluvial sand transport that has traditionally been maintained through land use policy and regulation. This approach has been sufficient for the levels of land use intensity currently in effect, but the CCP drastically upzones land within both the Cabazon Conservation Area generally and the fluvial sand transport corridor specifically. Where the existing land use plan allows for one acre of non-residential development and 1,218 dwelling units within the fluvial sand transport corridor, the proposed CCP would allow for up to 361 acres of non-residential development and 5,018 dwelling units.

The CCP has not yet been formally adopted, and CVCC staff is coordinating with County staff to ensure that its planning efforts are consistent with the requirements of the CVMSHCP. Nonetheless, the significant increase in development intensity within the fluvial sand transport corridor reinforces CVCC staff's concern that the current approach of maintaining fluvial sand transport capacity through land use policy and regulation will prove insufficient in the face of increasingly strong development pressure, and that acquisition may need to be considered should the proposed CCP, or a similar land use plan, come to pass.

Staff is now recommending the 2026 LDMF Nexus Study be finalized in accordance with the summary findings presented here and attached. An extension to the acquisition period of 15 years (from the current 45 years) would be in keeping with the earlier precedent set by the 2011 nexus study, and additionally creates a buffer between the end of the land acquisition period and the end of the permit term to reconcile any unanticipated land use conflicts or funding shortfalls. Furthermore, the proposed CCP has not yet been adopted and the land use designations currently in effect reflect those contemplated by the CVMSHCP – leading staff to recommend the no fluvial sand transport acquisition scenario at this point. In the event that the proposed CCP, or a similar land use plan, is adopted by the County, CVCC staff can bring back for consideration the 60-year acquisition period with fluvial sand transport acquisition scenario.

The full 2026 LDMF Nexus Study is undergoing final revisions and formatting and will be available for review as part of the CVCC agenda packet that is published prior to the September 10 meeting. Pending the Committee's recommendation, staff will work with Legal Counsel to update the fee ordinance and resolution that will be required to implement the revised fee schedule. These documents will be considered alongside the final nexus study report at the Commission's September meeting. Proposed updates to the fee ordinance include the addition of an appeals process, modifications to the administrative fee retained by local permittees, and simplified language directing practitioners to an LDMF handbook for further implementation guidance. The LDMF handbook has been a feature requested by local permittee staff for many years and will provide detailed information on fee calculation methodology, exemptions, and other topics that have been brought to CVCC staff's attention over the course of LDMF implementation. The handbook is anticipated to be adopted after the final nexus study has been approved. Once the 2026 LDMF Nexus Study, model ordinance, and model resolution have been adopted and approved, CVCC staff will work with local permittee staff to facilitate adoption of the necessary documents by each City Council or Board of Supervisors. Implementation of the ordinance generally takes at least three months, so the revised fee schedules are anticipated to go into effect in early Spring 2027.

Finally, components of the Wildlife Agencies' comments extend beyond the contents of the nexus study, the proposed fee schedule, and their compliance with the Mitigation Fee Act. These comments, which pertain to rough proportionality, the CVMSHCP's current funding structure, and process, will be addressed separately and may require a minor amendment to the CVMSHCP if the 2026 LDMF Nexus Update is adopted.

Fiscal Analysis: This discussion item has no financial impact.

The existing services contract for EPS is currently for a not-to-exceed amount of $174,850. Due to the additional analysis needed to address concerns by the Wildlife Agencies and others, CVCC staff is anticipating the need for a contract amendment, which is likely to be brought forth to CVCC at the September meeting.

Attachments:

1. Summary Results and Scenarios of the 2026 LDMF Nexus Update
2. DVBA comment letter dated August 7. 2026
3. USFWS comment letter dated August 19, 2026
4. CDFW comment letter dated August 19, 2026

2026 Local Development Mitigation Fee Update

Summary Results and Scenarios

August 27, 2026

Economic & Planning Systems, Inc.
The Economics of Land Use

CVCC

OVERVIEW AND TRENDS

2011

Nexus Study Completed

Nexus Study approved and Updated Local Development Mitigation Fees (LDMF) adopted

Estimates for Years 3 – 75

(73 Years: 2011 – 2083)

15 Years

18,500 acres of land preserved

$30 M reserve funding

2026

New Nexus Study

Estimates for Years 17 – 75

(59 Years: 2025 – 2083)

Actual Land Acquisition

Average of **1,200 acres** Annually

Actual LDMF Revenue

About **$3.0 million** Annually in Recent Years

LDMF FUNDING REQUIRED

Local Permittee Compliance Costs – Other Local Funding = Required LDMF Funding

Land
Acquisition of Additional Conservation Lands

Land Management/ Biomonitoring
Required Land Management/ Monitoring of Conservation Areas

Endowment
Post-Permit/ In Perpetuity Management / Monitoring of Conservation Areas

COSTS: LAND ACQUISITION

2026 Nexus Study

74,523 acres **x** $3,100/acre
$231 M

With other land costs
$259 M

Annually across **44 years**
$5.8 M

2026 Land Acquisition Calculation:

- 44 years for All Remaining Land Acquisition (2025 – 2068)
- Transactions Costs: **5%** of total acquisition cost
- Land Improvement & Maintenance: **$150,000** annually
- Acquisition Management: **$220,000** annually
- Fluvial Sand Transport adds **2,400 acres** and **$20.4 million**

COSTS: LAND MANAGEMENT & BIOMONITORING

2011 Nexus Study

$2.1 M annually **x 73** years **= $153 M**

2026 Nexus Study

$3.35 M annually **x 59** years **= $198 M**

2026 Annual Cost Components from FY 25/26 Budget:

- CVAG Staff / Services = **$1.55 million** annually
- Additional Service Providers / Contract Costs = **$1.2 million** annually
- Contingency Fund/ Fencing = **$600,000 annually**

COSTS: ENDOWMENT

2011 Nexus Study

$83 M Total Endowment Investment
(approximation based on 2011 Nexus Study)

2026 Nexus Study

$89 M Total Endowment Investment

2026 Endowment Calculation:

- Post-Permit Annual Costs = **$2.2 million** (2026 dollars)
- Net/ Real Interest Rate = **2.44% from MSHCP Funding Plan**
  - Nominal Interest Rates = **5.73 %**
  - Inflation Rate = **3.29 %**
- Assumes $10 million in Existing Protected Endowment Reserve;
  $89 million required by end of permit term

OTHER FUNDING SOURCES

Cost Category	Reserve Funds	Other Funding [1]	Total
Land	$20.0 M	$4.5 M	$24.5 M
Land Management & Biomonitoring	$0	$51.5 M	$51.5 M
Endowment	$10.0 M	$57.1 M	$67.1 M
Total	**$30.0 M**	**$113.0 M**	**$143.0 M**

[1] For the Land cost category, the other funding is the estimated value of the remaining Caltrans land dedication obligation. For the M&M/Staff cost category, the other funding sources include Tipping Fees and CVAG Payments. For the Endowment cost category, the other funding source consists of Endowment Interest Revenue.

NET COSTS: LDMF FUNDING REQUIRED

Cost Category	Total Costs	Other Funding	Net Costs/ LDMF Funding Required	% of Total
Land	$260.1 M	$24.5 M	$235.6 M	59%
Land Management & Biomonitoring	$197.7 M	$51.5 M	$146.2 M	36%
Endowment	$88.6 M	$67.1 M	$21.6 M	5%
Total	**$546.4 M**	**$143.0 M**	**$403.3 M**	**100%**

DEVELOPMENT FORECASTS

Gross Acres of Fee-Paying Development

2011 Nexus Study — **1,610** Acres/ Year

2026 Nexus Study — **500** Acres/ Year

Development has taken place much less rapidly than anticipated and is projected to result in **29,500 acres** of disturbance over the permit term

Total Fee Paying Acres

2011 Nexus (45-Year)	Years 3 – 45 = 43 Years = **69,200 acres developed**
2026 Nexus (60-Year)	Years 17 – 60 = 44 Years = **22,000 acres developed**
2026 Nexus (60-Year)	Years 61 – 75 = 15 Years = **7,500 acres developed**

LDMF SCHEDULES

	60-Year Acquisition Scenario		60-Year + FST Acquisition Scenario	
	Years **17-60**	Years **61-75**	Years **17-60**	Years **61-75**
Commercial/Industrial (LDMF/acre)	$16,084	$6,598	$17,058	$6,598
Residential (LDMF/unit)				
0-8 units per acre	$2,884	$1,183	$3,059	$1,183
8.1-14 units per acre	$1,632	$669	$1,731	$669
14+ units per acre	$644	$264	$683	$264

desert valleys builders association

August 7, 2026

Coachella Valley Conservation Commission
Peter Satin, Conservation Program Manager
74-199 El Paseo, Suite 100
Palm Desert, CA 92260

RE: Coachella Valley MSHCP/2026 Nexus Study Update

Dear Mr. Satin,

Thank you for providing the Desert Valleys Builders Association the opportunity to review the Updated 2026 Nexus Study for the Coachella Valley Multiple Species Habitat Conservation Plan, Local Development Mitigation Fee.

We understand and have supported the purpose of the CVMSHCP and the LDMF since before its initial drafts, while working under our previous non-profit iteration. We have also reviewed the previous update. Not surprisingly the current proposed update causes the DVBA concern.

As proposed, the study fails to meet the legislated requirements of the Mitigation Fee Act.

1. The addition of Fluvial Fan acreage for purchase as habitat is a new "need."
    - As reinforced by AB 602 this study needs to establish the shared responsibility and cost to the existing population to support the preservation of the Fluvial Fans.
    - Any additional costs must be shared between the existing population's developed lands and the calculated future development lands.
        - What changed that Fluvial Fan acreage now needs to be purchased?
        - We wonder if these areas are developable in the first place
        - Don't State or Federal water regulations already make it nearly impossible to develop these areas

2. The appraised values of the new study have no relevance to the true costs of habitat land.
    - The value of habitat land shall only be based on past expressed values through the sale of like properties

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desert valleys builders association

- In property sales there may be both low and high spikes in price
  - There is a 17-year history of sales, while most fee study evaluations only look at the most recent past 5 years
  - Either is an appropriate basis to establish property valuation
  - These "professionally" appraised valuations have no relevance to actual sales for land preservation

3. The annual habitat conservation goals are limited by "willing sellers" of desirable habitat properties.
   - The Plan's success should not be unfairly judged by limited sellers
   - Page 6 has correctly stated that "without development, there would be no need to acquire and protect additional habitat"
   - In this vane, there is no "nexus" to charge extra fees for land that is not developed or developed slower than desired per the plan

Based on these three scenarios, and details that could take up numerous pages, the Coachella Valley Multiple Species Habitat Conservation Plan, Local Development Mitigation Fee Nexus Study Update lacks the necessary "nexus" requirements of the Mitigation Fee Act, and Federal case laws, Nollan, Dolan, and Sheetz. Any update to be adopted by the Coachella Valley Conservation Commission should re-evaluate the assertions of this proposed update. No "nexus" has been established to support nearly doubling the existing fee. Showing the higher costs in other regions does not support a "nexus" either.

The Desert Valleys Builders Association cannot support the adoption of this Plan Update.

Respectfully,

James Brownyard
Executive Officer

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United States Department of the Interior
U.S. FISH AND WILDLIFE SERVICE
Ecological Services

Palm Springs
Fish and Wildlife Office
777 E. Tahquitz Canyon Way, Ste. 208
Palm Springs, California 92262

Southern Nevada
Fish and Wildlife Office
4701 North Torrey Pines Drive
Las Vegas, Nevada 89130-2301

In Reply Refer To:
2026-0133789-HCP-TA-ERV

August 19, 2026
Sent Electronically

Peter Satin
Assistant Director of Conservation
Coachella Valley Conservation Commission
74-199 El Paseo
Palm Desert, California 92260
psatin@cvag.org

Subject: Comments on the Coachella Valley Conservation Commission's Updated 2026 Nexus Study

Dear Peter Satin:

The U.S. Fish and Wildlife Service (Service) received the Coachella Valley Conservation Commission (CVCC)'s Updated 2026 Nexus Study on July 24, 2026, which assessed changes to the Local Development Mitigation Fee (LDMF) schedule and land acquisition time frame for the Coachella Valley Multiple Species Habitat Conservation Plan (CVMSHCP). Specifically, the 2026 Nexus Study proposes two scenarios that 1) would adjust the land acquisition time frame to the end of the CVMSHCP permit term, Plan Year 75, and 2) would require additional land acquisition to support fluvial sand transport in the Plan Area. On August 7, 2026, we received additional information from CVCC proposing scenarios for completing land acquisition by Plan Year 60. Below are the Service's high-level concerns regarding the 2026 Nexus Study.

The CVMSHCP states that the acquisition program was proposed to be completed in 30 years "to minimize costs and potential land use conflicts" (Section 5.1.2.1). Potential conflicts, including those related to land use, would be able to be resolved in the remaining 45 years of the Permit term. The Service is concerned that an extension of the acquisition program time frame may result in conflicts at the end of the Permit term, without sufficient time for the conflicts to be resolved before expiration of the Permits without recourse. Further, we are concerned that this will impact the Permittees' ability to complete the Reserve Assembly as intended, causing long-term impacts to the Plan's required Conservation Objectives. Additionally, the CVMSHCP describes loans from the Endowment Fund to the acquisition program during the anticipated 30-year acquisition period, which were to accrue interest and be paid after completion of land acquisition, by Plan Year 50. The Service is unsure of the status of the Endowment Fund and the described loans. The Service requests that the CVCC explain how the scenarios described in the 2026 Nexus Study will address the temporal loss for achieving the required Conservation Objectives and the period for the Endowment Fund (and associated interest) to grow.

Section 5.2.2.2 of the CVMSHCP discusses options should a need for additional funding be projected based upon increases in cost that exceed revenue from the existing funding sources. The Service understands that costs have not significantly increased, and land value has remained fairly stable throughout Permit implementation thus far. The rate of development within the Plan area has been lower than the Plan anticipated; however, revenue from the LDMF fee is less than anticipated. In addition, the 2011 Nexus Study allocated LDMF revenue to more sources than originally anticipated by the Plan, contributing to the need for additional funding. The information CVCC provided on August 7, 2026, also includes a proposal to allocate a portion of the LDMF fee to the Endowment Fund upon implementation of the Updated 2026 Nexus Study. Although this would ensure that payment to the Endowment Fund commences prior to completion of the land acquisition period, it may further contribute to the need for additional funding due to the distribution of LDMF revenue to an additional source. Section 5.2.2.2 goes on to describe that new funding sources may be identified to supplement existing funding. It does not appear that new funding sources were explored in the 2011 or 2026 Nexus Studies. Further, Section 5.2.2.4 of the CVMSHCP addresses the potential for the unavailability of the Eagle Mountain Environmental Mitigation Trust Fund as a funding source and provides a list of alternative funding sources that may be considered in the case of its unavailability. Specifically, the Plan states that "the CVCC has four years or more to explore these and other potential funding sources should it become clear that Environmental Mitigation Trust Fund revenues would not be available." The 2011 Nexus Study later removed the Eagle Mountain Environmental Mitigation Trust Fund as a funding source for the CVMSHCP; however, The Service is not aware of any alternative funding sources that were contemplated by CVCC after the removal of this funding source. Consistent with the CVMSHCP, it is necessary that other funding sources are identified and evaluated prior to proposing another adjustment to the existing funding sources or an extension of the acquisition time frame.

Lastly, the 2026 Nexus Study states that recent changes to State law require nexus study updates at least every eight years per the Mitigation Fee Act, which appears to have prompted the 2026 Nexus Study. However, the CVMSHCP requires CVCC to update the Nexus Study at least every five years or more, if deemed necessary (Section 5.1.2.1). The last nexus study was adopted in 2011, which is less frequent than anticipated in the CVMSHCP. In addition, Section 5.2.2 of the CVMSHCP states that CVCC and the Service will annually evaluate the adequacy of funding mechanisms and, if funding deficiencies are identified, the Service and Permittees to the Plan will develop strategies to address additional funding needs. The Service has not been involved in an annual evaluation of the Plan's funding mechanisms. We request coordination with CVCC and the Permittees on Nexus Study evaluations moving forward so that deficiencies in funding mechanisms, such as those described in the 2026 Nexus Study, can be addressed proactively, consistent with the CVMSHCP.

Currently, the Service does not support moving forward with any changes to the existing funding sources or the land acquisition time frame. The Service proposes to further discuss these concerns with CVCC so that we can identify strategies, consistent with the CVMSHCP, to address funding deficiencies.

We appreciate the opportunity to provide comments on the 2026 Nexus Study. If you have any questions regarding these comments, please contact Lory Salazar-Velasquez.[1]

Sincerely,

BRIAN CROFT

Digitally signed by BRIAN CROFT
Date: 2026.08.19 14:10:04 -07'00'

Brian Croft
Field Supervisor

ec:

Heather Brashear, CDFW, Senior Environmental Scientist Supervisor, heather.brashear@wildlife.ca.gov

Jacob Skaggs, CDFW, Senior Environmental Scientist Specialist, jacob.skaggs@wildlife.ca.gov

Kathleen Brundige, CVCC, Director of Conservation, kbrundige@cvag.org

Tom Kirk, CVCC, Executive Director, tkirk@cvag.org

[1] lory_salazar-velasquez@fws.gov.

STATE OF CALIFORNIA
DEPARTMENT OF FISH AND WILDLIFE

GAVIN NEWSOM, Governor
MEGHAN HERTEL, Director

P.O. Box 944209
Sacramento, CA 94244-2090
wildlife.ca.gov

August 19, 2026

Peter Satin
Assistant Director of Conservation
Coachella Valley Conservation Commission
74-199 El Paseo, Suite 100
Palm Desert, CA 92260

Subject: CDFW Comments on 2026 Nexus Study

Dear Peter Satin:

The California Department of Fish and Wildlife (CDFW) received a draft Local Development Mitigation Fee (LDMF) Nexus Study for the Coachella Valley Multiple Species Habitat Conservation Plan and Natural Community Conservation Plan (CVMSHCP or Plan) from the Coachella Valley Conservation Commission (CVCC) on July 24, 2026. It is CDFW's understanding that CVCC intends to present the study to its finance committee on August 27, 2026, and potentially to the CVCC Commission in September 2026. CDFW appreciates the opportunity to comment on the study. Our initial comments and concerns are set forth below.

Both the Plan approved by CDFW and the associated Natural Community Conservation Plan Permit issued by CDFW[1] rely on a land acquisition period of 30 years to ensure that the Plan will be sufficiently funded, Permittee obligations related to conservation will be met, and land use conflicts will be avoided.[2] Based on a Nexus Study prepared in 2011, CVCC extended the Plan's land acquisition period by 50%, to 45 years, and revised the funding structure to allow the LDMF to cover costs (e.g., management and monitoring costs) that the Plan intended would be covered by another funding source (the Eagle Mountain Landfill). The 2026 Nexus Study proposes further extending the acquisition period to 60 or 75 years in

[1] Findings of Fact under the California Environmental Quality Act and the Natural Community Conservation Planning Act and Natural Community Conservation Plan Permit (2835-2008-001-06) for the Coachella Valley Natural Community Conservation Plan, August 2008.
[2] CVMSHCP section 5.1.2.1.

order to reduce the LDMF amount and encourage development. Neither the 2011 nor 2026 Nexus Study explores other funding sources or alternate ways to cover the aforementioned responses while reducing the LDMF amount, as is anticipated by Sections 5.2.2.2 and 5.2.2.4 of the Plan.

CDFW does not have enough information to support CVCC's proposals to extend the Plan's land acquisition period to 60 or 75 years. Extending the land acquisition period by 100-150% (as compared to the original 30-year period) would leave less time prior to the anticipated end of the NCCP Permit term for: acquisition of the Reserve Assembly lands; completion of the Plan's Conservation Objections; and growth of the endowment. It could also increase land use conflicts (e.g., competing pressure from development) and result in temporal loss from a conservation perspective.

In general, CDFW is concerned that CVCC's proposal(s) could deviate from the assumptions and analysis underlying the Plan and NCCP Permit so much that it could jeopardize CDFW's statutory findings. Thus, to evaluate a proposed extension to the acquisition period, CDFW requests that CVCC provide additional analysis, including the following:

1. The current status of the endowment (i.e., what anticipated sources of the endowment have been funded and when they were funded; the current amount of the endowment taking into consideration interest earned on the principal; if any loans have been drawn on the endowment; comparison of the current amount of the endowment with the amount that was anticipated by the Plan by 2026).

2. Whether, when, and how the endowment will be sufficiently funded under each proposed scenario.

3. Whether Permittee obligations to acquire the full Reserve Assembly will be fulfilled under each proposed scenario.

4. The current status of rough proportionality and how the change in the acquisition period under each proposed scenario would impact rough proportionality with respect to Authorized Take provided under the NCCP Permit.

5. Whether and how, under each proposed scenario, Permittees will fulfill all Conservation Objectives for the Plan's Covered Species (CVMSHCP Section 9) and Natural Communities (CVMSHCP Section 10) (e.g., protecting core habitat, management and monitoring, adaptive management, addressing threats, ensuring

long-term persistence of species, maintenance of corridors and linkages, protection of ecological processes, and restoration/uplift, which are dependent on acquisition of the Reserve Assembly well in advance of the end of the NCCP Permit term).

6. Other funding options that have been explored or may be explored and whether any are viable (see CVMSHCP sections 5.2.2.2 and 5.2.2.4).

It is also important to note that CDFW considers each of CVCC's proposed extensions to the acquisition period to be a significant change to what was originally envisioned under the Plan and CDFW's NCCP Permit. Therefore, an amendment to the CVMSHCP would be appropriate to memorialize extension of the acquisition period. Questions regarding this letter or further coordination should be directed to Jacob Skaggs, Senior Environmental Scientist, at Jacob.Skaggs@wildlife.ca.gov.

Sincerely,

DocuSigned by:
Kim Freeburn
84F92FFEEFD24C8...

Kim Freeburn
Environmental Program Manager

ec:

Heather Brashear, Senior Environmental Scientist Supervisor
CDFW
Heather.Brashear@wildlife.ca.gov

Mary Beth Woulfe, Acting Colorado Desert Division Supervisor
USFWS
marybeth_woulfe@fws.gov

COACHELLA VALLEY CONSERVATION COMMISSION
INVESTMENT REPORT
FOR JUNE 30, 2026

CASH AND INVESTMENTS UNDER THE DIRECTION OF CVCC

Description	Carrying Amount	% of Total	Fair Market Value		% of Total	Interest Rate Yield	Maturity Date
County of Riverside Pooled Investment Fund	$ 17,906,190	41.68%	$ 17,839,603.14	[a]	41.59%	3.85%	N/A
Wells Fargo Bank (Checking)	$ 23,364	0.05%	$ 23,364		0.05%	N/A	N/A
Wells Fargo Bank (In-Lieu Fee)	$ 2,112,475	4.92%	$ 2,112,475		4.92%	0.48%	N/A
CAMP	$ 22,919,598	53.35%	$ 22,919,598		53.44%	3.78%	N/A
Total Cash & Investments	$ 42,961,627	100.00%	$ 42,895,040		100.00%		

Note:
[a] Fair market value does not include accrued interest. Source of Market Values - the June 2026 County of Riverside Treasurer's Pooled Investment Fund Monthly Report Paper Gain/(Loss) was (0.372)%.

I hereby certify that the investment portfolio of the Coachella Valley Conservation Commission (CVCC) complies with the California Government Sections pertaining to the investment of agency funds and CVCC's written Investment Policy, which was adopted on January 09, 2025.

The investment portfolio provides CVCC the ability to meet its expenditure requirements for at least the next six months.

Submitted by: Claude

Claude T. Kilgore, CPA
CVCC Auditor

Coachella Valley Conservation Commission
Unaudited Statement of Net Position
As of June 30, 2026

Financial Row	Amount
ASSETS	
Current Assets	
Bank	
1012 - 1012 - CVCC CAMP Account - 6266	$22,919,598
1031 - 1031 - CVCC Cash Held by County Treasurer 051350	$17,906,190
1062 - 1062 - CVCC Wells Fargo (ILF) -9125	$2,112,475
1063 - 1063 - CVCC Wells Fargo Imprest -8098	$23,364
Total Bank	**$42,961,627**
Accounts Receivable	**$1,571,765**
Other Current Asset	**$1,441,738**
Total Current Assets	**$46,489,838**
Fixed Assets	
1800 - 1800 - Capital Outlay	
1801 - 1801 - Capital Outlay: Land	$93,486,304
1802 - 1802 - Capital Outlay: Land Improvement	$3,226,619
1804 - 1804 - Capital Assest: Building and Impovements	$213,666
1805 - 1805 - Capital Outlay: Equipment/Vehicles	$157,314
1810 - 1810 - Capital Outlay: CIP (Construction in Process)	$12,930
1850 - 1850 - Accumulated Depreciation of Capital Outlay	($229,674)
Total - 1800 - 1800 - Capital Outlay	**$96,867,158**
Total Fixed Assets	**$96,867,158**
Total ASSETS	**$143,356,996**
Liabilities & Balance	
Current Liabilities	**$1,885,891**
Long Term Liabilities	**$33,018**
Balance	**$141,438,088**
Total Liabilities & Balance	**$143,356,996**

Coachella Valley Conservation Commission
Unaudited Statement of Revenues and Expenditures
July 1, 2025 - June 30, 2026

Financial Row	Amount
Revenue	
4100 - 4100 - State Funding	$2,614,581
4200 - 4200 - Local Funding	$3,345,767
4600 - 4600 - Sponsorship	$100,398
4900 - 4900 - Other Revenue	$5,800
Total - Revenue	**$6,066,546**
Expense	
6155 - 6155 - Meeting Attendance Stipend	$9,200
6200 - 6200 - Printing/Copying	$275
6250 - 6250 - Professional Services	$555,129
6280 - 6280 - Legal Services	$79,261
6500 - 6500 - Direct Program/Project Costs	
6500 - 6500 - Direct Program/Project Costs	$6,651
6550 - 6550 - Consultants	$2,759,555
6575 - 6575 - LDMF Administrative Fees	$22,999
6700 - 6700 - Land Maintenance	$488,309
6750 - 6750 - Species Monitoring Expenses	$330,836
Total - 6500 - 6500 - Direct Program/Project Costs	**$3,608,350**
7025 - 7025 - General Expense and Sundries	$7,135
7050 - 7050 - Account/Service Fees	$7,473
7150 - 7150 - Training and Event Registration	$10,675
7325 - 7325 - Equipment/Vehicle Expenses	$5,000
7830 - 7830 - Medicare	$175
7840 - 7840 - Social Security Tax ER Expense	$750
7860 - 7860 - Unemployment	$287
9150 - 9150 - Capital Outlay: Equipment/Vehicle	$116,992
9300 - 9300 - Capital Outlay: Land	$607,024
9350 - 9350 - Capital Outlay: Land Improvement	$30,380
Total - Expense	**$5,038,107**
Other Revenue and Expenses	
Other Revenue	
8001 - 8001 - Investment Income	$1,579,700
8005 - 8005 - Gain/(Loss) in Investments	($49,400)
Total - Other Revenue	**$1,530,299**
Net Change	**$2,558,738**