

8.0 MSHCP Funding/Financing of Reserve Assembly and Management



8.6.5 Revenue Collections and Land Acquisitions do not Keep Pace with Land Development

The local funding plan is intended to keep the local Conservation of Additional Reserve Lands to support Reserve Assembly roughly proportional with the amount of Development occurring in the Plan Area. Over the 25-year “acquisition period,” the following schedule shall be used to determine if additional Conservation is needed to keep Development and Conservation in “rough proportionality.”

Year	Projected % Developed (Appendix B-04)	Test for “rough proportionality” % of local MSHCP Conservation Area Lands Conserved
5	22%	22%
10	43%	43%
15	64%	64%
20	82%	82%
25	100%	100%

If at the end of any five (5) year period the “rough proportionality” test has not been met, the Permittees and the Wildlife Agencies will meet within 90 days to begin to develop a strategy to address the need for a balance between Conservation and Development.

8.7 USE OF DEBT FINANCING TO ADDRESS NEED FOR CASH FLOW INCREASE

During the early years of the Plan, there is the potential for a number of property owners to offer their lands for sale or request consideration under the HANS Process for a determination of whether their property is needed for the creation of the MSHCP Conservation Area. This could result in a shortage of funding in one or more years despite revenues and other costs meeting the funding plan’s projections. While the funding plan is proposed to be a “pay as you go” effort, a debt financing may be required to meet cash flow needs. The RCA has the ability to structure a debt financing. To facilitate a financing, especially in the early years when the history of the revenues is less well established, a State or Federal Loan Guarantee or other mechanism could provide credit enhancement to the RCA. Such a program could require new legislation at either the state or federal