

**SUBMITTAL TO THE BOARD OF DIRECTORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

161



FROM: Waste Management District

**SUBMITTAL DATE:
July 17, 2014**

SUBJECT: Adoption of Resolution No. 2014-01 Approving a Major Amendment to the Coachella Valley Multiple Species Habitat Conservation Plan, Approving the Implementing Agreement and Incorporating Responsible Agency Findings 4th & 5th / 4th & 5th District; [\$0]

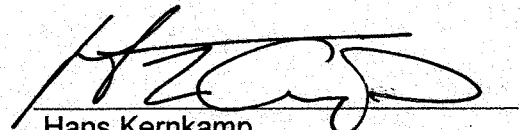
RECOMMENDED MOTION: That the Board of Directors:

1. Adopt Resolution No. 2014-01 adopting Responsible Agency findings for the Coachella Valley Multiple Species Habitat Conservation Plan and the Coachella Valley Multiple Species Habitat Conservation Plan/Natural Community Conservation Plan as revised by the Major Amendment, approving said Plan and approving the Implementing Agreement;
2. Authorize the Chairman of the Board to execute said Implementing Agreement; and
3. Direct the Clerk of the Board to deliver the attached Notice of Determination for the Project to the Office of the County Clerk and Recorder for posting within five (5) days after the adoption of Resolution No. 2014-01 as well as deliver said Notice of Determination to the State Clearinghouse.

BACKGROUND:

Summary


[Continued on Page 2]


Hans Kernkamp
General Manager-Chief Engineer

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost:	POLICY/CONSENT (per Exec. Office)
COST	\$ N/A	\$ N/A	\$ N/A	\$ N/A	Consent <input type="checkbox"/> Policy <input checked="" type="checkbox"/>
NET COUNTY COST	\$ N/A	\$ N/A	\$ N/A	\$ N/A	
SOURCE OF FUNDS: N/A				Budget Adjustment: N/A	
				For Fiscal Year:	14/15

C.E.O. RECOMMENDATION:

APPROVE

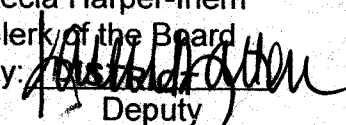
BY: 
Alex Gann

County Executive Office Signature

MINUTES OF THE WASTE RESOURCES MANAGEMENT BOARD OF DIRECTORS

On motion of Director Tavaglione, seconded by Director Benoit and duly carried, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Jeffries, Tavaglione, Stone and Benoit
 Nays: None
 Absent: Ashley
 Date: July 29, 2014
 xc: Waste, Flood, Parks, State, Planning, Recorder
 (3-50, 11-8, 13-1D)

Kecia Harper-Ihem
Clerk of the Board
By: 
Deputy

Prev. Agn. Ref.: | Districts: 4th & 5th | Agenda Number:

12-1

FORM APPROVED COUNTY CLERK
BY: KARIN L. WATTS-BAZAN DATE: 7/17/14
Departmental Concurrence

A-30 Positions Added
4/5 Vote Change Order

SUBMITTAL TO THE BOARD OF DIRECTORS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

FORM 11: CVMSHCP Major Amendment

DATE: July 17, 2014

PAGE: 2 of 3

BACKGROUND:

Summary

The Major Amendment to the Coachella Valley Multiple Species Habitat Conservation Plan (CVMSHCP) to include Desert Hot Springs and Mission Springs Water District (MSWD) has been approved by the Coachella Valley Conservation Commission (CVCC). This Major Amendment to the approved CVMSHCP proposes to include the City of Desert Hot Springs and MSWD as Permittees of the Plan.

The proposed action by the State and Federal wildlife agencies is the issuance of Take Authorization associated with the Major Amendment for Covered Activities that are not currently included under the existing federal Section 10(a) Permit and state Natural Community Conservation Plan (NCCP) Permit (Permits). The Major Amendment will provide for covered projects requested by Desert Hot Springs and MSWD. This Major Amendment will restore the boundaries from the 2006 Final CVMSHCP for the Upper Mission Creek/Big Morongo Canyon Conservation Area and include all of the private lands within the city limits of Desert Hot Springs. The private lands to be included total approximately 770 acres that were removed from this Conservation Area when Desert Hot Springs chose not to participate in 2006.

The Notice of Availability for public review and comment on the Supplemental Environmental Impact Report/Environmental Impact Statement (SEIR/SEIS), which describes the environmental impacts associated with the inclusion of Desert Hot Springs and MSWD as Permittees to the CVMSHCP, was released on September 6, 2013. This public notice was circulated to the Permittees, local media, public agencies and stakeholder groups. Also on September 6, a notice appeared in the Federal Register describing the availability of the Supplemental EIR/EIS. In September 2013, CVCC sent a letter to each property owner of record ("Property Owner Letter") within the Conservation Areas of the Major Amendment area letting them know that the Major Amendment to the CVMSHCP, Implementing Agreement ("IA"), and Supplemental EIR/EIS were available for review. The release of these documents commenced a 45-day public review period from September 6, 2013 through October 21, 2013. A total of seven individual comment letters were received to.

The Final Supplemental EIR includes responses to all written comments received from agencies, private organizations, and the public during the public comment period and was released on March 1, 2014. It is our understanding that CVCC staff worked closely with Desert Hot Springs staff and Mission Springs Water District staff to prepare and review the responses to comments. In addition, changes to the Final CVMSHCP, Final Implementing Agreement, and Final Supplemental EIR/Supplemental EIS have been made as appropriate in response to the comments received. This fulfills the intent of CEQA and NEPA to provide decision makers and the public a full analysis of the potential impacts of the Major Amendment to the CVMSHCP and to provide the public with an opportunity to provide additional information to decision-makers regarding the potential effects of the Major Amendment.

At their March 13, 2014 meeting, the Coachella Valley Conservation Commission ("CVCC") certified the Final Supplemental SEIR and approved the Major Amendment to the CVMSHCP to include the City of Desert Hot Springs and MSWD. A public notice was published in the Desert Sun on March 1, 2014 to inform the public about the March 13 CVCC meeting. Notices were sent to all property owners of record in the Conservation Area within the Major Amendment area, notifying them of the March 13, 2014 public hearing. The City of Desert Hot Springs and Mission Springs Water District both approved the Major Amendment unanimously on April 15, 2014 and April 21, 2014, respectively.

Impact on Citizens and Businesses

This Major Amendment is necessary to incorporate the City of Desert Hot Springs and MSWD into the Plan as Permittees, define their obligations, commitments, and covered Activities consistent with the original Plan, and authorize Take associated with their Covered Activities. As Permittees, the City and MSWD as well as their constituents and water users will benefit from the CVMSHCP as they become part of this effort to enhance and maintain biological diversity and ecosystem processes while allowing future economic growth within the Coachella Valley. The CVMSHCP allows preservation of a quality of life characterized by well-managed and well-planned growth integrated with an associated open-space system. The City of Desert Hot Springs will be

**SUBMITTAL TO THE BOARD OF DIRECTORS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA
FORM 11: CVMSHCP Major Amendment**

DATE: July 17, 2014

PAGE: 3 of 3

responsible for exercising its land use authority to ensure the goals and objectives of the Plan are met while at the same time allowing development projects impacting listed species to proceed. MSWD will also be responsible to ensure the Conservation Goals and Objectives of the Plan are met and will be allowed to proceed with the development of critical water facilities. As a benefit to the development community and businesses, it is anticipated that the CVMSHCP mitigation fee will be decreased when the CVMSHCP and the permits as amended are approved by the State and Federal wildlife agencies due to the inclusion of an additional 770 acres of land within the boundaries of the City of Desert Hot Springs.

Contract History and Price Reasonableness

N/A

ATTACHMENTS:

ATTACHMENT 1: Resolution No. 2014-01 Adopting Responsible Agency findings pursuant to the California Environmental Quality Act for the Coachella Valley Multiple Species Habitat Conservation Plan and the Coachella Valley Multiple Species Habitat Conservation Plan/Natural Community Conservation Plan, as revised by the Major Amendment; approving said the Coachella Valley Multiple Species Habitat Conservation Plan and the Coachella Valley Multiple Species Habitat Conservation Plan/Natural Community Conservation Plan, as revised by the major amendment; and approving the Implementing Agreement

EXHIBIT A: Final Supplemental Environmental Impact Report/Statement (SCH No. 2000061079) for the Coachella Valley Multiple Species Habitat Conservation Plan and associated Natural Community Conservation Plan

EXHIBIT B: Final Supplemental Environmental Impact Report/Statement (SCH No. 2000061079) for the Major Amendment to the Coachella Valley Multiple Species Habitat Conservation Plan and Associated Natural Community Conservation Plan Responses to Comments

EXHIBIT C: CVAG Attachment 1 Resolution No. 07-009

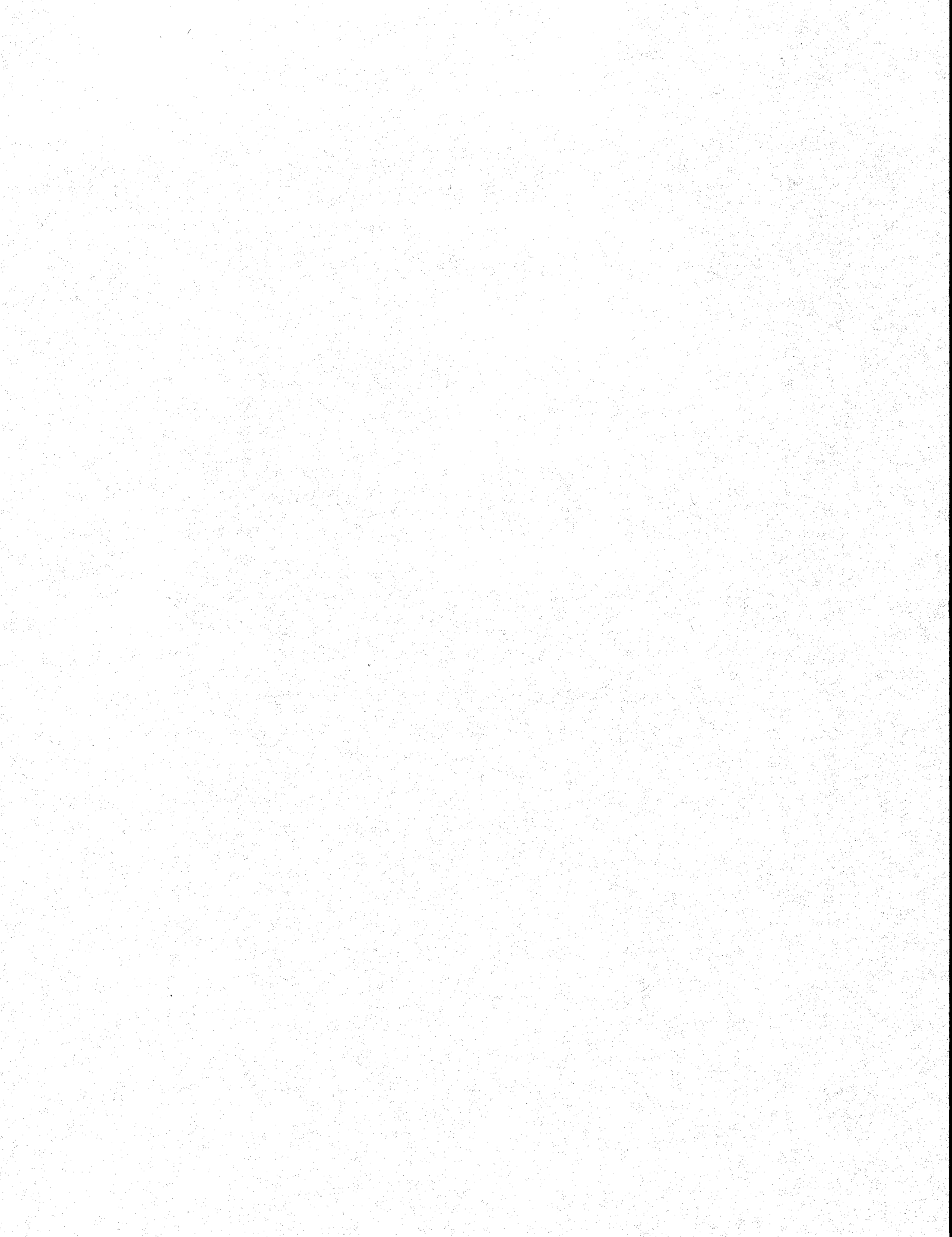
EXHIBIT D: CVCC Attachment 2 Resolution No. 14-004

ATTACHMENT 2: Implementing Agreement for the Coachella Valley Multiple Species Habitat Conservation Plan/ Natural Community Conservation Plan

ATTACHMENT 4: Notice of Determination

KWB/nr

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2
3 RESOLUTION NO. 2014-01

4 A RESOLUTION OF THE BOARD OF SUPERVISORS
5 OF THE COUNTY OF RIVERSIDE
6 ADOPTING RESPONSIBLE AGENCY FINDINGS PURSUANT TO
7 THE CALIFORNIA ENVIRONMENTAL QUALITY ACT FOR THE
8 COACHELLA VALLEY MULTIPLE SPECIES HABITAT
9 CONSERVATION PLAN AND THE COACHELLA VALLEY
10 MULTIPLE SPECIES HABITAT CONSERVATION PLAN / NATURAL
11 COMMUNITY CONSERVATION PLAN, AS REVISED BY THE
12 MAJOR AMENDMENT; APPROVING THE COACHELLA VALLEY
13 MULTIPLE SPECIES HABITAT CONSERVATION PLAN AND THE
14 COACHELLA VALLEY MULTIPLE SPECIES HABITAT
15 CONSERVATION PLAN / NATURAL COMMUNITY
16 CONSERVATION PLAN, AS REVISED BY THE MAJOR
17 AMENDMENT; AND APPROVING
18 THE IMPLEMENTING AGREEMENT

19 WHEREAS, the Coachella Valley Multiple Species Habitat Conservation Plan/Natural
20 Community Conservation Plan ("CVMSHCP") is a regional, comprehensive, multi-jurisdictional
21 Habitat Conservation Plan focusing on Conservation of Federal and State-Listed Species, other
22 rare and sensitive species, and their Habitats, while maintaining opportunities for recreation and
23 a strong and sustainable environment for economic Development in the region; and

24 WHEREAS, the Coachella Valley Conservation Commission ("CVCC") is the lead
25 agency pursuant to the California Environmental Quality Act ("CEQA") (Public Res. Code, §
26 21000 et seq.) and the State CEQA Guidelines (14 CCR § 15000 et seq.); and

27 WHEREAS, a joint Final Recirculated Environmental Impact Report/Statement
28 ("EIR/EIS") was previously prepared in February 2006 pursuant to CEQA and NEPA ("2006
Final MSHCP"), which provides a comprehensive assessment of the potential environmental
impacts that could result from the adopted CVMSHCP, and provides the appropriate decision-
makers with the required information upon which to base a decision to adopt the amendment to
the CVMSHCP; and

WHEREAS, thereafter the Plan was revised to remove the City of Desert Hot Springs

FOR APPROVAL BY THE BOARD OF SUPERVISORS
DATE 7/17/14
BY: KARIN L. WATTS-BAZAN

1 (the "City") as a Permittee and to reflect other project description modifications and, as a result,
2 the Coachella Valley Association of Governments ("CVAG") prepared a Recirculated Draft
3 EIR/Supplemental Final EIS which it certified in September 2007, (the "September 2007
4 Recirculated EIR/EIS"); and

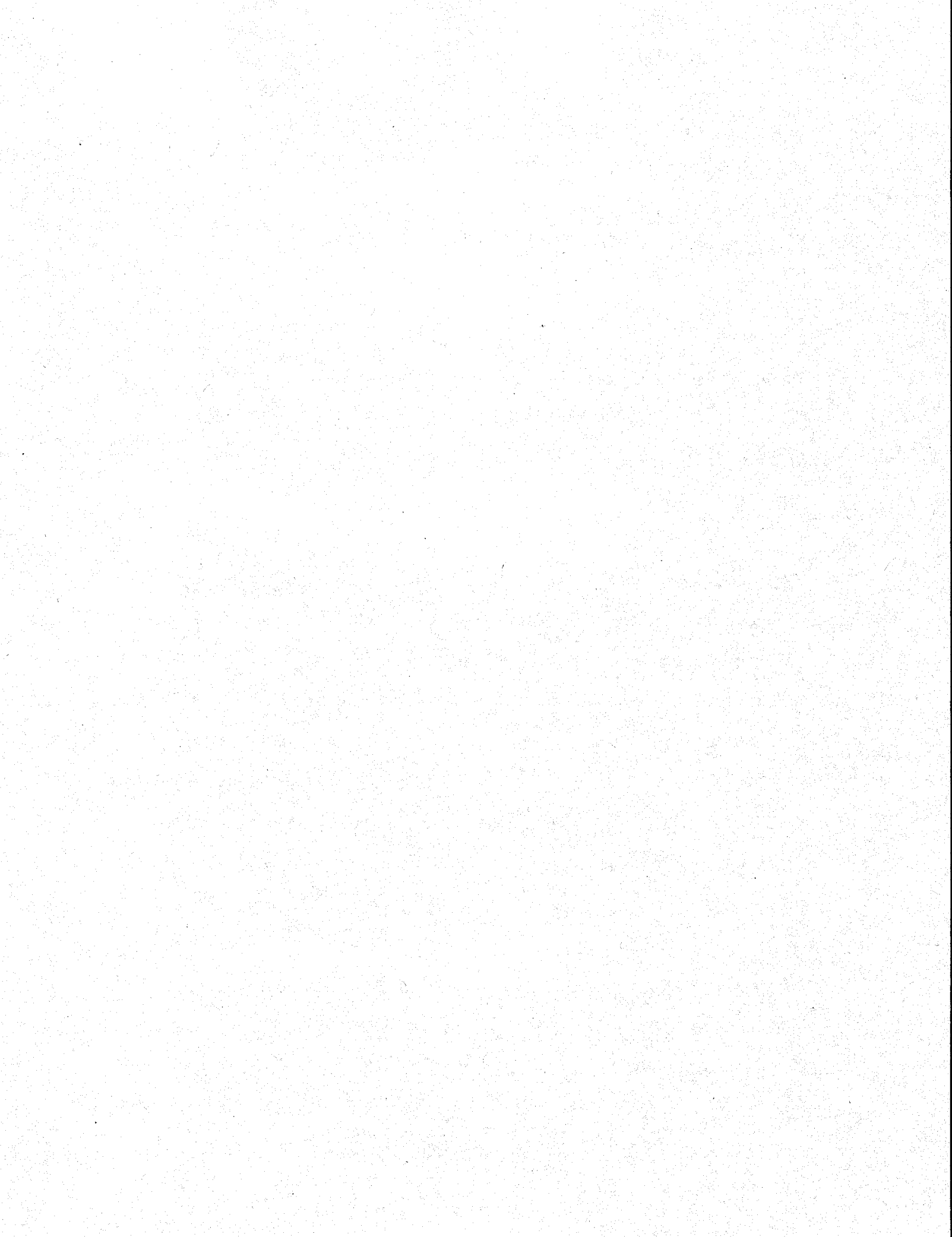
5 WHEREAS, the CVCC now wishes to add the City and Mission Springs Water District
6 as Permittees and so CVCC prepared a Major Amendment to the CVMSHCP (the "Major
7 Amendment"); and

8 WHEREAS, the Project proposed for approval is the inclusion into the CVMSHCP, as
9 revised by the Major Amendment, of the City of Desert Hot Springs and Mission Springs Water
10 District, as Permittees (the "Project"); and

11 WHEREAS, the Major Amendment includes the issuance of Take Authorization
12 associated with Covered Activities that are not currently included under the existing federal
13 Section 10(a) Permit and state NCCP Permit ("Permits"). This Major Amendment will restore
14 the boundaries from the 2006 Final CVMSHCP for the Upper Mission Creek/Big Morongo
15 Canyon Conservation Area and would include all of the private lands within the city limits of
16 Desert Hot Springs. The private lands to be included total approximately 770 acres that were
17 removed from this Conservation Area when Desert Hot Springs chose not to participate in 2006.
18 The city limits of Desert Hot Springs also include two parcels in the Whitewater Canyon
19 Conservation Area that are both owned by BLM and are currently managed consistent with the
20 Plan, therefore no additional disturbance associated with the Major Amendment will occur in this
21 area; and

22 WHEREAS, a Supplemental Environmental Impact Report/Environmental Impact
23 Statement ("EIR/EIS") has been prepared pursuant to State CEQA Guidelines Section 15163 and
24 NEPA Regulations, 40 C.F.R. 1502.9(c) in order to analyze all potential adverse environmental
25 impacts of the Project; and

26 WHEREAS, CVCC, at a public meeting on March 13, 2014 reviewed the Final
27
28



1 Supplemental EIR/EIS, Major Amendment to the CVMSHCP and CVMSHCP/Natural
2 Communities Conservation Plan ("CVMSHCP"), Implementing Agreement, and other related
3 documents in the record before it and by Resolution No. 14-004, certified the Final Supplemental
4 EIR/EIS, and approved the Major Amendment to the CVMSHCP, and Implementing Agreement;
5 and

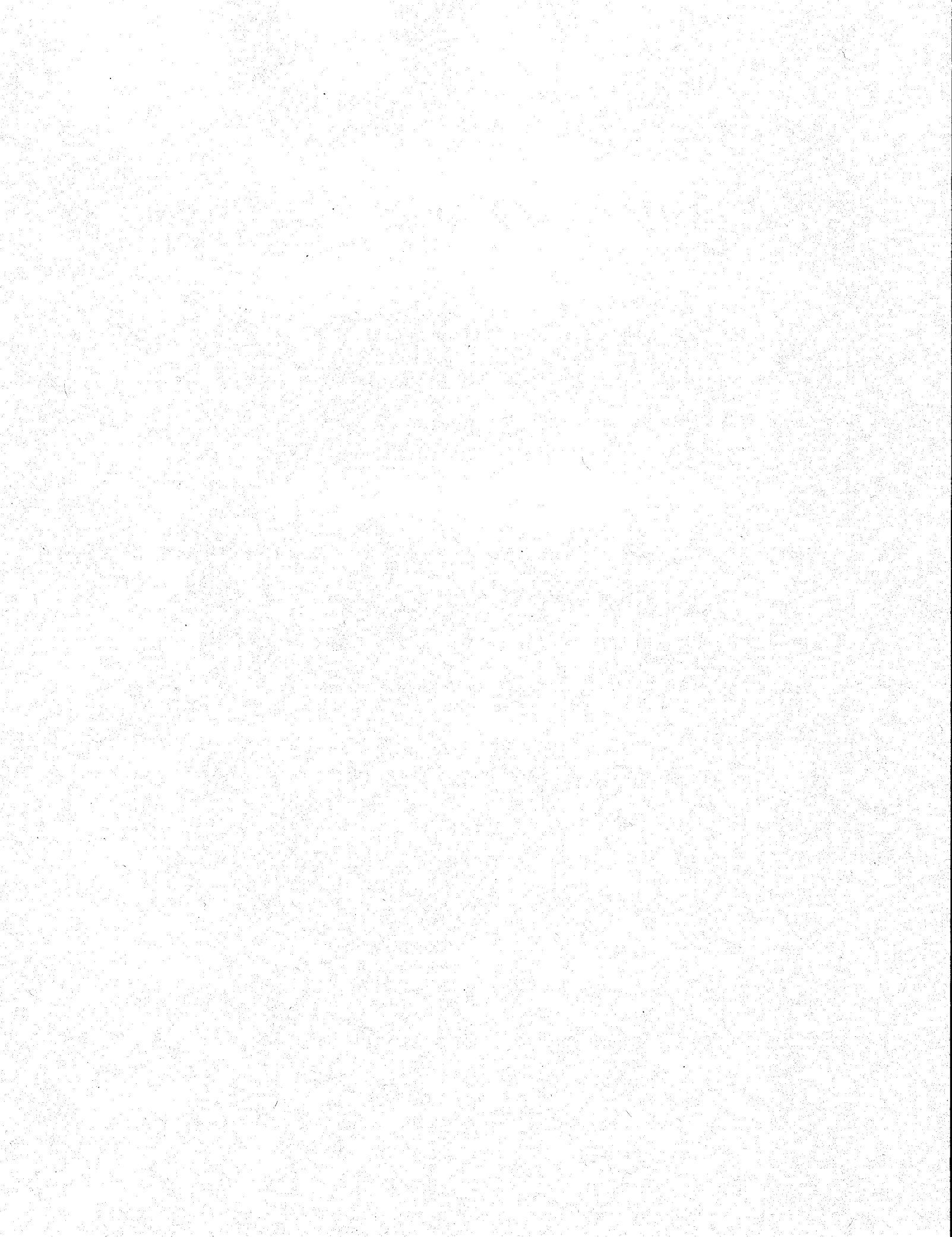
6 WHEREAS, pursuant to State CEQA Guidelines sections 15091, 15096 sub. (h), 15381,
7 and other provisions of CEQA, the Riverside County Waste Resources Management District ("District")
8 is a responsible agency for the Project and must therefore make certain findings prior to the approval of
9 the Project; and

10
11 WHEREAS, all the procedures of CEQA and the State CEQA Guidelines have been
12 met, and the Final Supplemental EIR/EIS, prepared in connection with the Major Amendment, as
13 well as the September 2007 Recirculated EIR/EIS, are sufficiently detailed so that all the
14 potentially significant effects of the Project on the environment and measures necessary to avoid
15 or substantially lessen such effects have been evaluated in accordance with the above-referenced
16 Act and Guidelines; and

17
18 WHEREAS, as contained herein, the District has endeavored in good faith to set forth
19 the basis for its decision on the Project; and

20 WHEREAS, all of the findings and conclusions made by the Board of Directors
21 pursuant to this Resolution are based upon the oral and written evidence presented to it as a
22 whole and not based solely on the information provided in this Resolution; and

23
24 WHEREAS, prior to taking action, the Board of Directors has heard, been presented
25 with, reviewed and considered all of the information and data presented to it, including the Draft
26 Supplemental EIR/EIS, Final Supplemental EIR/EIS, the September 2007 Recirculated EIR/EIS,
27 and other documentation relating to the Project, and all oral and written evidence presented to it;



1 WHEREAS, all other legal prerequisites to the adoption of this Resolution have
2 occurred; and

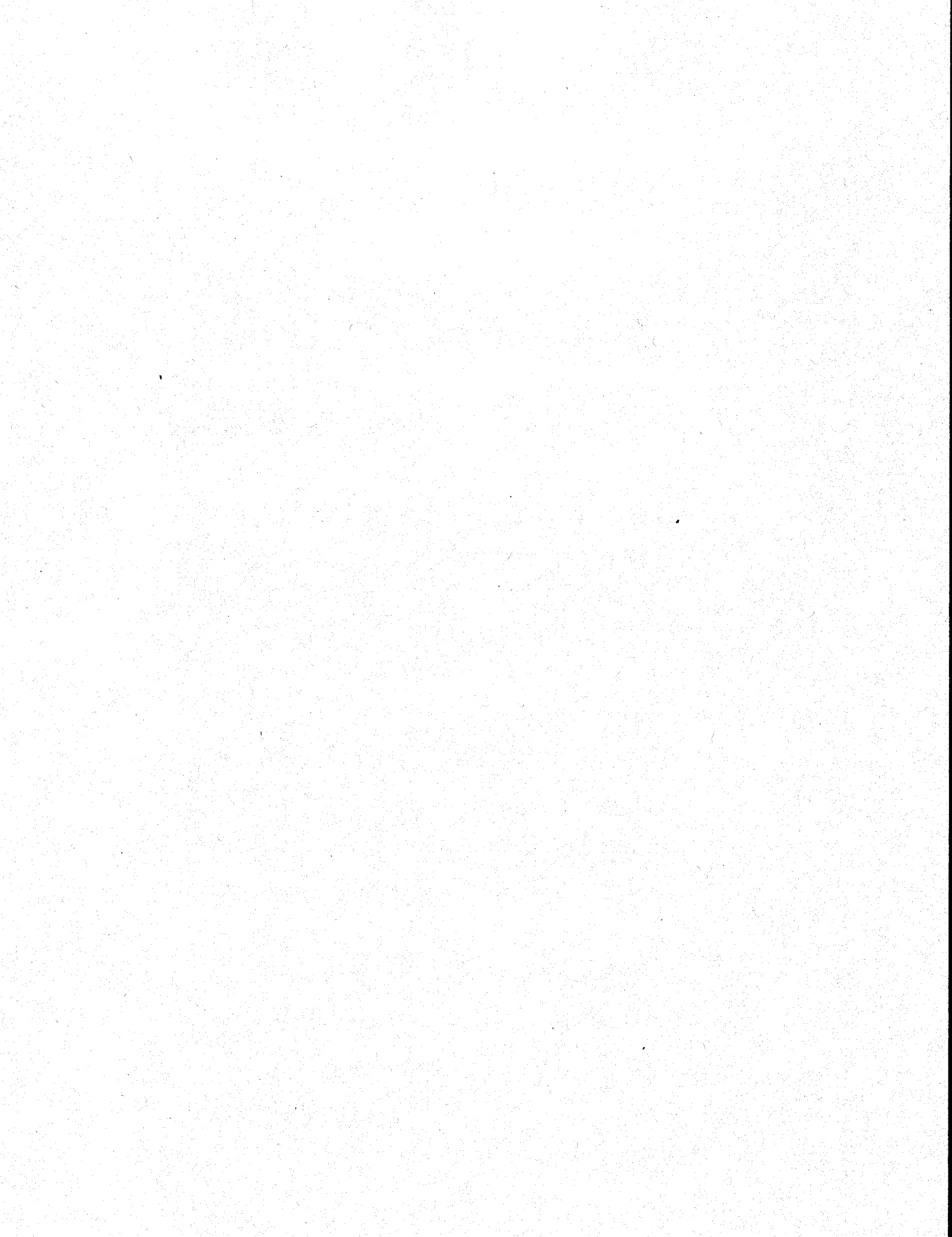
3 WHEREAS, the documents and other materials that constitute the record of
4 proceedings/administrative record for the District's approval of the Project are located at 4080
5 Lemon Street, Riverside, California; and the custodian of these records is the Clerk of the Board.
6

7 BE IT RESOLVED, FOUND, DETERMINED AND ORDERED by the Board of
8 Directors, State of California, in regular session assembled on July 29, 2014, based upon the evidence and
9 testimony presented on the matter, both written and oral, including the Draft Supplemental EIR/EIS, Final
10 Supplemental EIR/EIS, and the September 2007 Recirculated EIR/EIS, that the environmental effects of
11 the Project have been adequately addressed.
12

13 BE IT FURTHER RESOLVED by the Board that:

14 A. The Final Supplemental EIR/EIS prepared for the Major Amendment to
15 the CVMSHCP is hereby received by the Board in the form attached hereto as
16 Exhibit A, and incorporated herein by this reference. The September 2007
17 Recirculated EIR/EIS is hereby received by the Board in the form attached hereto
18 as Exhibit B, and incorporated herein by this reference.
19

20 B. The Board hereby finds and determines that the September 2007
21 Recirculated EIR/EIS, as revised by the Final Supplemental EIR/EIS, has been
22 completed in compliance with CEQA and the State CEQA Guidelines and, as the
23 decision-making body for the County of Riverside , the Board has reviewed and
24 considered the information contained in the September 2007 Recirculated
25 EIR/EIS, as revised by the Final Supplemental EIR/EIS, and related documents
26 before it and all of the environmental effects of the CVMSHCP, as revised by the
27 Major Amendment, and finds that the September 2007 Recirculated EIR/EIS, as
28



1 revised by the Final Supplemental EIR/EIS, reflects the independent judgment
2 and analysis of the District.
3

4 C. The District Board concurs with the environmental findings in CVAG Resolution
5 Nos. 07-009 and CVCC Resolution 14-004 and adopts these findings, attached
6 hereto as Exhibit C and Exhibit D, respectively, and incorporated herein by this
7 reference.
8

9 BE IT FURTHER RESOLVED by the District Board that the CVMSHCP as amended by the
10 Major Amendment is hereby approved.

11 BE IT FURTHER RESOLVED by the District Board that the Implementing Agreement is
12 hereby approved and that the Chairman is authorized to execute said Agreement.

13 BE IT FURTHER RESOLVED by the District Board that within five (5) days of the adoption
14 of this resolution and approval of the CVMSHCP as amended by the Major Amendment
15 and the Implementing Agreement, the Clerk of the Board is directed to deliver the Notice
16 of Determination for the Project to the Office of the County Clerk and Recorder, who is
17 thereby directed to file the same, and the Clerk of the Board is further directed to deliver
18 the Notice of Determination to the State Clearinghouse, all as required by law.
19

20 ROLL CALL:

21 Ayes: Jeffries, Tavaglione, Stone and Benoit
22 Nays: None
23 Absent: Ashley

24 The foregoing is certified to be a true copy of a resolution duly
25 adopted by said Board of Supervisors on the date therein set forth.

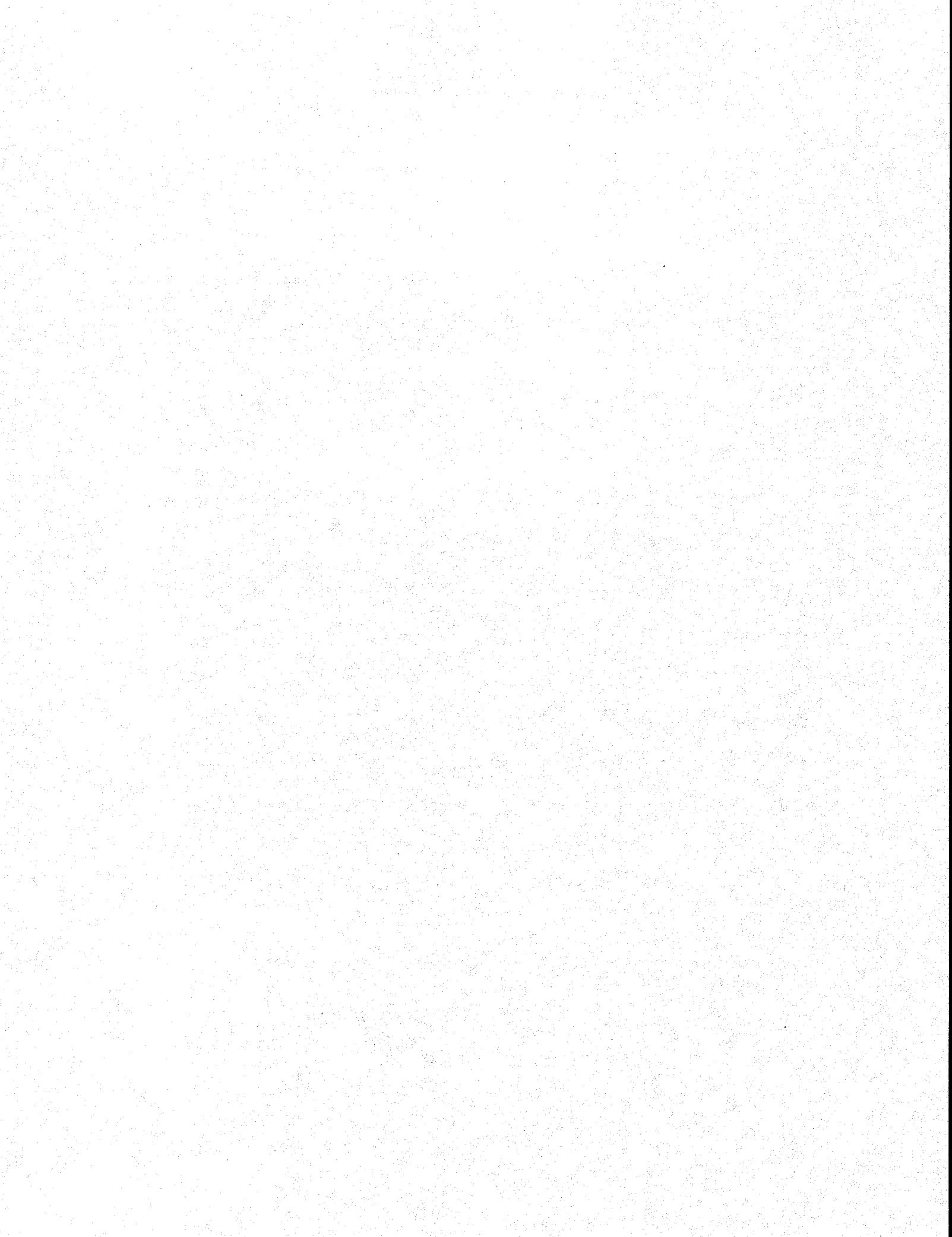
26 KECIA HARPER-IHEM, Clerk of said Board

27 By  _____

28 Deputy

KWB/nr
071614

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NOTICE OF DETERMINATION

Original Negative Declaration/Notice of Determination was routed to County Clerks for posting on.

8/4/14
Date

KD
Initial

To: County Clerk's Office
County of Riverside
2720 Gateway Drive
Riverside, CA 92501

From: Riverside County Waste
Resources Management District
14310 Fredrick Street
Moreno Valley, CA 92553
Phone: (951) 486-3200

Office of Planning and Research
1400 Tenth Street, Room 222
Sacramento, CA 95814
Attn: State Clearinghouse

Lead Agency:
Coachella Valley Conservation Commission
73-710 Fred Waring Drive, Suite 200
Palm Desert, CA 92260

Subject: Filing of Notice of Determination for Final Supplemental Environmental Impact Report/Environmental Impact Statement in Compliance with State CEQA Guidelines Section 15096(i)

Project Title: Coachella Valley Multiple Species Habitat Conservation Plan as Revised by Major Amendment and Approval of Implementing Agreement ("Project")

State Clearinghouse Number: SCH #2000061079

Contact Person & Telephone Number: Hans Kernkamp, General Manager-Chief Engineer
(951) 486-3200

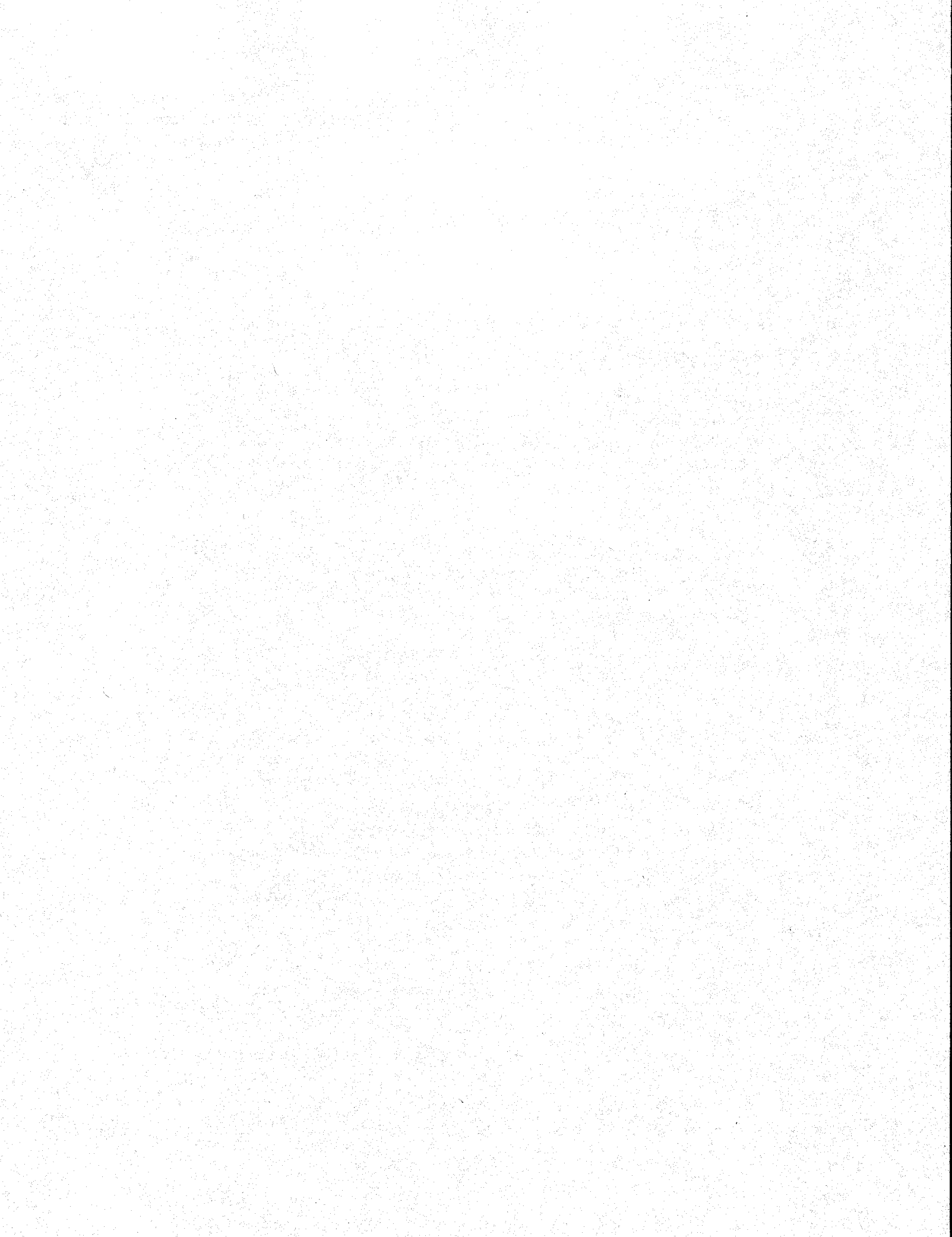
Project Location (include county): Desert Hot Springs, County of Riverside

Project Description: The Project is a Major Amendment to the Coachella Valley Multiple Species Habitat Conservation Plan ("CVMSHCP") approved by all affected agencies in October 2007. This Major Amendment includes the City of Desert Hot Springs ("City") as a Permittee of the CVMSHCP. As a result, the current CVMSHCP boundaries are amended to include all of the private lands within the City as well as the extension of the Conservation Area into the City. The Mission Springs Water District, not previously a participating agency, has also opted to become a Permittee of the CVMSHCP. A Supplemental EIR/EIS has been prepared pursuant to CEQA.

The Coachella Valley Conservation Commission is the lead agency for the CVMSHCP and the Major Amendment pursuant to CEQA. The Riverside County Waste Resources Management District is a responsible agency.

This notice is filed, in compliance with State CEQA Guidelines Section 15096, to advise that the Board of Directors, acting in its capacity as a responsible agency under CEQA, considered the Final Supplemental EIR/EIS, as well as the 2007 Recirculated CVMSHCP, and approved the Major Amendment to the CVMSHCP as well as the Implementing Agreement, authorized the Chairman of the Board of

JUL 29 2014 12-1D



Supervisors, to execute the Implementing Agreement at a regularly scheduled meeting on July 29, 2014 and made the following determinations:

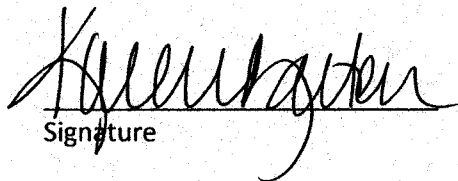
1. The Project will not have a significant effect on the environment.
2. A Supplemental EIR/EIS was prepared for the Project pursuant to the provisions of CEQA (Public Resources Code Section 21000 et seq.). A 2007 Recirculated EIR/EIS for the original CVMSHCP was also previously prepared, and considered in conjunction with the aforementioned Supplemental EIR/EIR.
3. Mitigation measures were not made a condition of the Project approval.
4. A statement of overriding considerations was not adopted for this Project.
5. Findings were made pursuant to the provisions of CEQA.

This is to certify that the documents which comprise the record of proceedings and approval for the Project, including the administrative record and the Final Supplemental Environmental Impact Report/Environmental Impact Statement, with comments and responses, are available to the general public at:

Custodian: Clerk of the Board
(951)955-1069

Location: County Administrative Center
4080 Lemon Street
Riverside CA 92501

8/4/14
Date


Signature

Date Received for Filing

KWB/nr
071714

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EXHIBIT - A

**FINAL
SUPPLEMENTAL
ENVIRONMENTAL IMPACT
REPORT/STATEMENT
(SCH No. 2000061079)
for the
COACHELLA VALLEY
MULTIPLE SPECIES HABITAT
CONSERVATION PLAN**

and associated

**NATURAL COMMUNITY
CONSERVATION PLAN**

**Prepared For
Coachella Valley Conservation Commission
US Fish and Wildlife Service
California Department of Fish and Wildlife**

**Prepared By
Dudek
3685 Main Street, Suite 250
Riverside, CA 92501**

MARCH 2014

COVER SHEET

**FINAL SUPPLEMENTAL ENVIRONMENTAL IMPACT
REPORT/STATEMENT
(SCH No. 2000061079)
COACHELLA VALLEY
MULTIPLE SPECIES HABITAT CONSERVATION PLAN
NATURAL COMMUNITY CONSERVATION PLAN**

March 13, 2014

Lead Agencies: Coachella Valley Conservation Commission
US Fish and Wildlife Service/Department of the Interior

Coordinating Agencies/Responsible Agencies: California Department of Fish and Wildlife, California Department of Parks and Recreation, California Department of Transportation, Coachella Valley Mountains Conservancy, Coachella Valley Water District, Desert Water Agency, Mission Springs Water District, Riverside County Flood Control and Water Conservation District, Riverside County Regional Parks and Open Space District, Riverside County Waste Management District, Imperial Irrigation District, County of Riverside, Coachella Valley Recreation and Parks District, the nine following cities: Cathedral City, Coachella, Desert Hot Springs, Indian Wells, Indio, La Quinta, Palm Desert, Palm Springs and Rancho Mirage.

Proposed Action/Proposed Project: The proposed Project is a Major Amendment to the approved CVMSHCP to include the City of Desert Hot Springs and Mission Springs Water District as Permittees of the Plan. The proposed action is the issuance of Take Authorization associated with the Major Amendment for Covered Activities that are not currently included under the existing federal Section 10(a) Permit and state NCCP Permit (Permits). This Major Amendment will restore the boundaries from the 2006 Final CVMSHCP for the Upper Mission Creek/Big Morongo Canyon Conservation Area that would be amended to include all of the private lands within the city limits of Desert Hot Springs.

Inquires or comments on this document should be directed to:

**Fish & Wildlife Service
US Department of the Interior
Contact Person: Kennon Corey
777 East Tahquitz Canyon Way, Suite 208
Palm Springs, CA 92011
(760) 322-2070**

**Coachella Valley Conservation Commission
Contact Person: Tom Kirk
73-710 Fred Waring Drive, Suite 200
Palm Desert, CA 92260
(760) 346-1127**

Designation: Final Supplemental Environmental Impact Report/Environmental Impact Statement (SEIR/SEIS)

Abstract: The Coachella Valley Multiple Species Habitat Conservation Plan and Natural Community Conservation Plan (MSHCP or Plan) boundaries encompass 1,205,839± acres, and a net planning area of 1,136,400± acres, excluding Indian Reservation lands not covered by the Plan. The Plan area extends from Cabazon area of the San Gorgonio Pass in the northwest, to

lands surrounding the northern portions of the Salton Sea to the southeast. The Plan area also includes mountainous areas and most of the associated watersheds surrounding the valley floor. The proposed Major Amendment Plan would add the City of Desert Hot Springs and the Mission Springs Water District as Permittees of the Plan. As a result, an additional 770 acres would be added to the Plan's Conservation Areas. The Plan's conservation Reserve System encompasses 747,600± acres comprised of 557,100± acres of existing public and private conservation lands (in 2006), and the acquisition and/or management of 166,580± acres of additional conservation lands.

The subject Final Supplemental EIR/EIS provides an assessment and objective evaluation of environmental impacts of the "preferred" project and alternative projects set forth in the MSHCP. This Supplemental EIR/EIS is being prepared pursuant to CEQA Guidelines Section 15163 in order to provide the additional information necessary to make the previous EIR/EIS adopted in September 2007 adequate for the Major Amendment. This document will be considered as revisions to the previous EIR/EIS. Pursuant to the Initial Study/Environmental Assessment that was prepared in spring 2011, this Supplemental EIR/EIS will only address revisions to biological resources, land use and planning, socioeconomic and fiscal effects and transportation, traffic and circulation. The Final Supplemental EIR/EIS also reflects responses to comments received on the September 2013 Draft Supplemental EIR/EIS.

**Coachella Valley MSHCP/NCCP
Final Supplemental Environmental Impact Report/
Environmental Impact Statement**

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***FINAL SUPPLEMENTAL ENVIRONMENTAL IMPACT REPORT/
SUPPLEMENTAL ENVIRONMENTAL IMPACT STATEMENT
FOR A
PROPOSED MAJOR AMENDMENT
TO THE
COACHELLA VALLEY MULTIPLE SPECIES HABITAT CONSERVATION PLAN/
NATURAL COMMUNITY CONSERVATION PLAN***

Executive Summary:

The following document includes Sections 1 through 7 of the Final Supplemental SEIR/SEIS for a proposed Major Amendment to the Coachella Valley Multiple Species Habitat Conservation Plan and Natural Community Conservation Plan (CVMSHCP). The proposed Project is a Major Amendment to the approved CVMSHCP to include the City of Desert Hot Springs and Mission Springs Water District as Permittees of the Plan. The proposed action is the issuance of Take Authorization associated with the Major Amendment for Covered Activities that are not currently included under the existing federal Section 10(a) Permit and state NCCP Permit. This Major Amendment will restore the boundaries from the 2006 Final CVMSHCP for the Upper Mission Creek/Big Morongo Canyon Conservation Area that would be amended to include all of the private lands within the city limits of Desert Hot Springs.

The subject Final Supplemental EIR/EIS provides an assessment and objective evaluation of environmental impacts of the “preferred” project and alternative projects set forth in the MSHCP. A Supplemental EIR/EIS is being prepared pursuant to CEQA Guidelines Section 15163 in order to provide the additional information necessary to make the previous EIR/EIS adopted in September 2007 adequate for the Major Amendment. This document will be considered as revisions to the previous EIR/EIS. The Final Supplemental EIR/EIS also reflects responses to comments received on the September 2013 Draft Supplemental EIR/EIS.

The Final SEIR/SEIS prepared for the Project addresses those issues identified as a result of the Initial Study/Notice of Preparation and Federal Register review process, including a public scoping period in spring 2011. The SEIR/SEIS was prepared in accordance with NEPA (40 Code of Federal Regulations [CFR] 1500–1508), Title 14, California Code of Regulations (CCR), Section 15000 et seq., as amended, and the California Public Resources Code, Section 21000 et seq., State CEQA Guidelines, as amended.

Based on the analysis contained in the Initial Study Checklist and comments received, it was determined that the SEIR/SEIS should focus on biological resources, land use, socioeconomic and fiscal impacts, and traffic and circulation.

Note: The 2008 CVMSHCP capitalized defined terms that were listed in the approved Plan. For consistency, this SEIR/SEIS also capitalizes these defined terms. The definitions can be found at: <http://www.cvmshcp.org/Plan%20Documents/05.%20CVAG%20MSHCP%20Plan%20Definitions.pdf>

1.0 INTRODUCTION

A comprehensive Multiple Species Habitat Conservation Plan (MSHCP)/Natural Community Conservation Plan (NCCP) for the Coachella Valley in Riverside County, California, was prepared by the Coachella Valley Association of Governments (CVAG) in cooperation and coordination with the Coachella Valley cities, Riverside County, the California Department of Fish and Wildlife (CDFW), U.S. Fish and Wildlife Service (USFWS), California State Parks, Caltrans, the National Park Service (NPS), Bureau of Land Management (BLM), and U.S. Forest Service (USFS). The Planning Agreement that initiated this effort was signed in 1996.

In February 2006 the Final Coachella Valley Multiple Species Habitat Conservation Plan (the Plan or CVMSHCP) and Final Environment Impact Report/Environmental Impact Statement (EIR/EIS) were released for review and approval by the participating jurisdictions and agencies. However, the City of Desert Hot Springs (City) voted not to approve the Plan in June 2006. Subsequently, the CVAG Executive Committee rescinded its approval of the Plan and directed that Desert Hot Springs be removed as a Permittee. A revised Plan was prepared and recirculated that removed the City of Desert Hot Springs and made other modifications consistent with direction from the CVAG Executive Committee. These changes included a Special Provisions Area within the City of Desert Hot Springs in support of conservation for a wildlife habitat corridor and additional habitat necessary to accomplish the Conservation Goals and Objectives of the Plan, and included a 1,200 foot wide corridor for Riverside County Flood Control and Water Conservation District's (County Flood Control) planned Morongo Wash flood control facility.

The revised and recirculated CVMSHCP was approved by CVAG and the Coachella Valley Conservation Commission (CVCC) in September 2007 and subsequently by all local Permittees by the end of October 2007. The state Permittees (Caltrans, Coachella Valley Mountain Conservancy, and California State Parks) approved the Plan and all Permittees signed the Implementing Agreement as of March 2008. The Final Recirculated CVMSHCP, which did not include Desert Hot Springs, received final state and federal permits as of October 1, 2008.

In a reversal of their June 2006 decision to opt-out of the Plan, the City Council of Desert Hot Springs reconsidered their decision and unanimously approved a Memorandum of Understanding (MOU) in October 2007, stating the parties' mutual intent to enter into negotiations for the City to join the CVMSHCP as a Permittee after the Plan was officially adopted. The MOU was subsequently approved by the CVCC, CVAG, and the County of Riverside as of February 2008.

Subsequent to the Desert Hot Springs decision, the Mission Springs Water District (MSWD) has also made the decision to become a Permittee of the Plan and the addition of both agencies will be evaluated in this document. MSWD has an approximately 135 square mile service area that is

situated in the City of Desert Hot Springs, unincorporated areas of Riverside County, and the City of Palm Springs. Currently, projects within the MSWD territory that are authorized by Riverside County or the City of Palm Springs are covered by the Plan and projects within MSWD territory that are under the jurisdiction of Desert Hot Springs or MSWD are not covered by the Plan. The regional context of the MSWD and Desert Hot Springs boundaries within the overall Plan area are shown on Figure 1-1. Figure 1-2 shows the City and MSWD boundaries along with proposed Conservation Area boundary changes.

As described in more detail below, this joint Supplemental Environmental Impact Report/Environmental Impact Statement (SEIR/SEIS) addresses changes to the September 2007 Final Recirculated Coachella Valley CVMSHCP EIR/EIS that did not include Desert Hot Springs or MSWD as Permittees.

1.1 Project Summary

The proposed Project is a Major Amendment to the approved CVMSHCP to include the City of Desert Hot Springs and MSWD as Permittees of the Plan. The proposed action is the issuance of Take Authorization associated with the Major Amendment for Covered Activities that are not currently included under the existing federal Section 10(a) Permit and state NCCP Permit (Permits). This Major Amendment will restore the boundaries from the 2006 Final CVMSHCP for the Upper Mission Creek/Big Morongo Canyon Conservation Area that would be amended to include all of the private lands within the city limits of Desert Hot Springs. The private lands to be included total approximately 770 acres that were removed from this Conservation Area when Desert Hot Springs chose not to participate in 2006. The city limits of Desert Hot Springs also include two parcels in the Whitewater Canyon Conservation Area that are both owned by BLM and are currently managed consistent with the Plan, therefore no additional disturbance associated with the Major Amendment will occur in this area.

The Morongo Wash Special Provisions Area designation would be removed and the affected area would be subsumed into the Upper Mission Creek/Big Morongo Canyon Conservation Area within the City; however, a minimum 1,200 foot wide corridor area provided for the planned Morongo Wash flood control facility would remain. MSWD will also be added as a Permittee and all lands within MSWD boundaries will be included in the Plan. The result would be minor Conservation Area boundary changes such that additional lands within the Upper Mission Creek/Big Morongo Canyon Conservation Area would be managed consistent with the Plan. More importantly, the City of Desert Hot Springs will be responsible for exercising its land use authority to ensure the goals and objectives of the Plan are met. MSWD will also be responsible as a Permittee to ensure the Conservation Goals and Objectives of the Plan are met.

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INTRODUCTION AND PROPOSED PROJECT SUMMARY

As part of this Major Amendment, both the City and MSWD have requested that a number of projects within their boundaries be established as Covered Activities as provided for in the Plan (refer to Tables 2-1 and 2-2). Covered Activities include certain activities carried out or conducted by Permittees, Participating Special Entities, Third Parties Granted Take Authorization, and others within the Plan Area, as described in Section 7 of the CVMSHCP. These Covered Activities will receive Take Authorization under the Section 10(a) Permit and the NCCP Permit, provided they are otherwise lawful. Project details including proposed Covered Activities and changes to Conservation Area boundaries are further discussed in Section 2.0 of this SEIR/SEIS.

As Permittees under the Plan, both the City and MSWD would be responsible for ensuring compliance with the required Avoidance, Minimization, and Mitigation Measures for Covered Activities within Conservation Areas as outlined in Section 4.4 of the Plan. These measures have been developed and incorporated into the CVMSHCP to avoid, minimize, and mitigate impacts to Covered Species, associated Habitat, natural communities, and Essential Ecological Processes. Therefore, under the Major Amendment both the City and MSWD will ensure the conservation, monitoring and management, and mitigation consistent with the CVMSHCP, of the land to be added back into the Conservation Area. Under the current approved CVMSHCP, conservation within the city limits of Desert Hot Springs relies on acquisitions of private land by willing sellers. This Major Amendment will make the City of Desert Hot Springs a full partner in the Plan, responsible for exercising their land use authority and collecting fees to ensure implementation of the Conservation Goals and Objectives.

In addition to the required Avoidance, Minimization, and Mitigation Measures and Land Use Adjacency Guidelines (refer to Sections 4.4 and 4.5 of the existing Plan), Section 6.6.1 of the Plan specifies certain other obligations of all Local Permittees for lands within and outside Conservation Areas. These obligations ensure compliance with all terms and conditions of the CVMSHCP including achievement of the Plan's Conservation Goals and Objectives and Required Measures in each Conservation Area. The CVMSHCP also ensures that Permittees are responsible for collecting funds generated by the Local Development Mitigation Fees; that habitat preservation is occurring roughly proportional to development as defined in the Rough Step requirements; that public and private projects comply with all applicable Required Measures in Section 4.4 of the Plan; and that Reserve Assembly occurs as contemplated in the CVMSHCP.

Certain other obligations are outlined for Permittees that own and administer lands within Conservation Areas including water agencies such as Coachella Valley Water District (CVWD) and Imperial Irrigation District (IID). Consistent with those obligations as outlined in Section

6.6.1 of the Plan, MSWD has committed to conservation measures for the acres they own in the Conservation Areas and other measures for activities outside Conservation Areas.

MSWD has also agreed to contribute a total of \$350,000 toward the CVMSHCP as specified in Section 6.6.1 of the Plan to support the Monitoring Program, the Management Program, and Adaptive Management. This may be paid in full the first full fiscal year after approval of the Major Amendment, or it may be paid in installments over a maximum of five years, beginning in the first full fiscal year after approval of the Major Amendment.

1.2 Lead Agencies

CVAG served as the lead agency responsible for project compliance with the California Environmental Quality Act (CEQA) for the previous environmental documents associated with the approved 2007 Recirculated EIR/EIS for the Plan. However, the Coachella Valley Conservation Commission (CVCC), as the established administrator for the CVMSHCP will function as the lead agency ensuring compliance with CEQA for this SEIR/SEIS. The U.S. Fish & Wildlife Service (USFWS) is the federal lead agency responsible for project compliance with the National Environmental Policy Act (NEPA).

1.3 Purpose and Need for Revised CVMSHCP

The USFWS proposed action analyzed in this Final SEIR/SEIS is to consider the issuance of an amended Section 10(a)(1)(B) permit that designates the City of Desert Hot Springs and the Mission Springs Water District as permittees under the CVMSHCP. The amended permit would authorize the City and MSWD to incidentally take Covered Species resulting from their proposed Covered Activities. The USFWS purpose for taking action is to provide a means whereby the ecosystems upon which endangered and threatened species depend may be conserved and to provide a program for the conservation of such species for the continued benefit of the American people. The USFWS need for taking action is to respond to permit requests by determining whether or not to issue or amend permits for Covered Species related to activities that have the potential to result in incidental take, pursuant to Section 10(a)(1)(B) of the federal Endangered Species Act and its implementing regulations and policies. In making permit decisions, USFWS needs to ensure the survival and recovery of endangered and threatened species affected by proposed Covered Activities. The USFWS decision to amend the incidental take permit would be based on approval of the proposed amendment to the CVMSHCP.

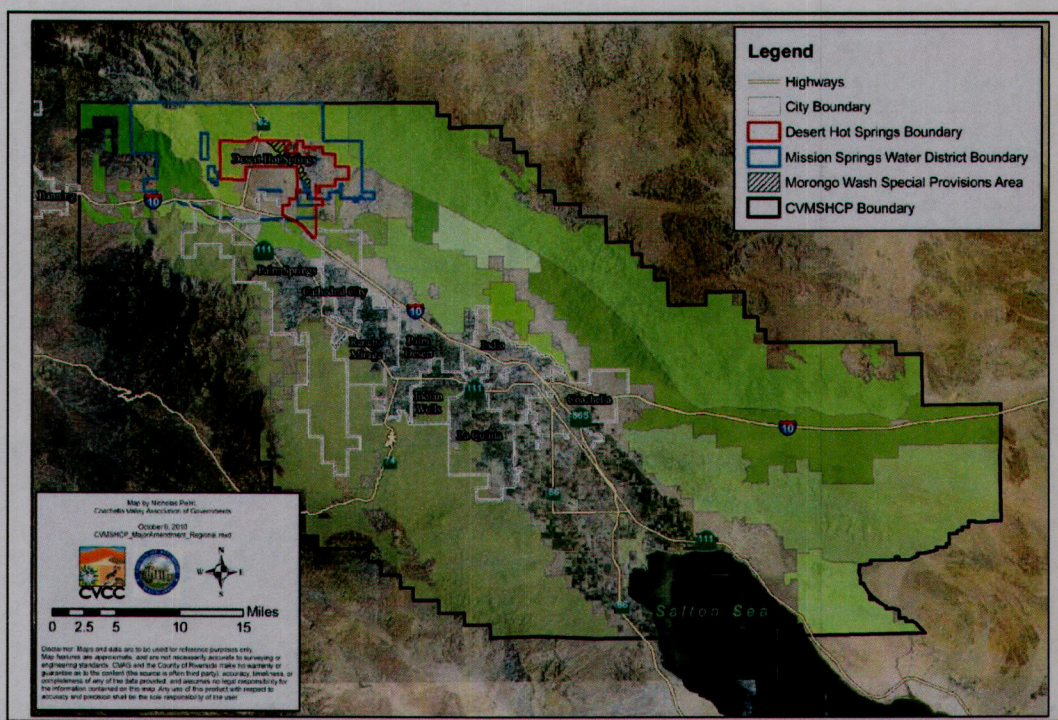
As discussed above, the City of Desert Hot Springs and the Mission Springs Water District have expressed a desire to become Permittees of the CVMSHCP subsequent to the final approvals by state and local Permittees in 2007 and the state and federal lead agencies in 2008. This Major

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Amendment is necessary to incorporate the City and MSWD into the Plan as Permittees, define their obligations, commitments, and Covered Activities consistent with the original Plan, and authorize Take associated with their Covered Activities. As Permittees, the City and MSWD will benefit from the CVMSHCP as they become part of this effort to enhance and maintain biological diversity and ecosystem processes while allowing future economic growth within the Coachella Valley. The CVMSHCP allows preservation of a quality of life characterized by well-managed and well-planned growth integrated with an associated open-space system.

As Permittees, the City and MSWD will assist in creation of sustainable conservation areas that protect endangered and threatened species and the habitats upon which they depend. This approach provides that project mitigation is directed to those areas most critical to maintenance of ecosystem function and species viability. This ecosystem or natural community based approach protects general biological diversity in the Plan Area, resulting in healthier ecosystems, reduces conflicts with development activities, and reduces the potential for additional species to be listed in the future.

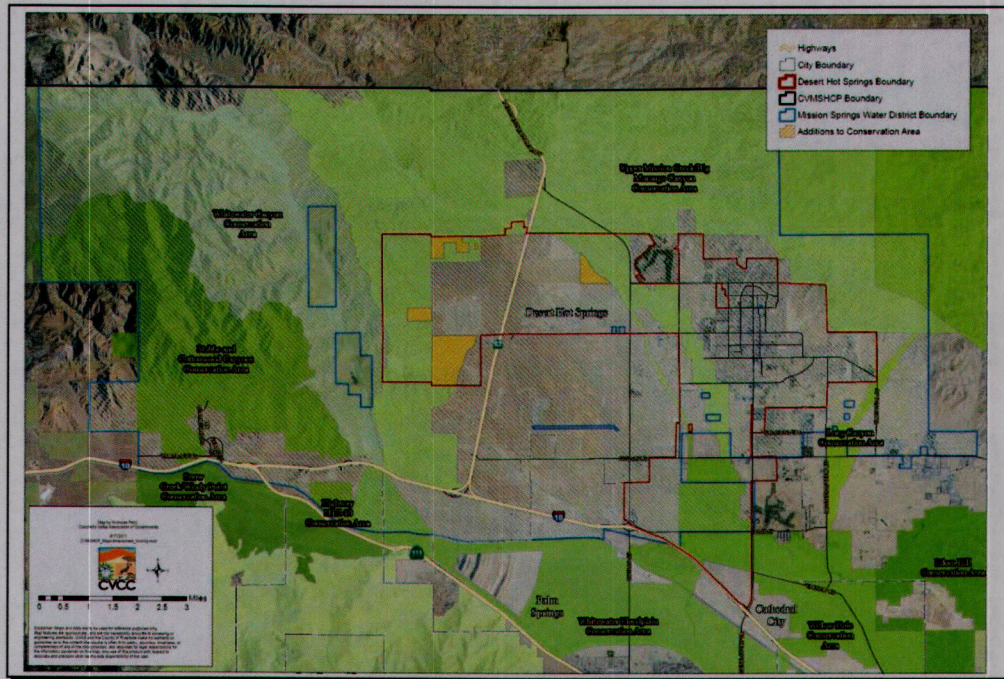
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**Coachella Valley Multiple Species Habitat Conservation Plan Major Amendment
Regional Location Map**

**FIGURE
1-1**

SECTION 1.0
INTRODUCTION AND PROPOSED PROJECT SUMMARY



Coachella Valley Multiple Species Habitat Conservation Plan Major Amendment
Vicinity Map FIGURE 1-2

Each Permittee participating in the Plan is a signatory to the Implementing Agreement (IA), which is an obligation among the individual Permittees, CDFW, and USFWS. Upon issuance of the Permit, the Permittees are granted Take Authorization for otherwise lawful activities addressed in the CVMSHCP, such as development, that may result in Take. Local Permittees are also required to ensure future development is consistent with the CVMSHCP.

Local Development Mitigation Fee

In 2011, the CVCC completed a new Fee Nexus Study to address a number of significant changes in the assumptions used in the 2007 Fee Nexus Study. The 2011 Fee Nexus Study produced a financial plan that resolves the long term funding issues of the CVMSHCP. The LDMF may now be used for any plan related expenses including land acquisition, land management, and biological monitoring. The overall acquisition period has been increased from 30 years to 45 years although it is anticipated that all the priority acquisitions will be completed in approximately 30 years. The LDMF collection period has been increased from only the first 50 years of the permit to the full 75 year term of the permit. As Desert Hot Springs is expected to become a Permittee in the near future, the 2011 Nexus Study calculated the LDMF both with and without the City. Should the City become a Permittee under the Plan, the LDMF will decrease by 8% throughout the Plan area.

1.4 Project Objectives

The specific objective of the Major Amendment is to add the City of Desert Hot Springs and MSWD as Permittees of the Plan. In so doing, all of the private lands within the city limits of the City of Desert Hot Springs will be included, thus restoring the 2006 boundaries of the Upper Mission Creek/Big Morongo Canyon Conservation Area within city limits. In addition, as Permittees of the Plan, Desert Hot Springs and MSWD will contribute to the overall goals and objectives of the CVMSHCP along with the other Permittees within the Plan Area. Desert Hot Springs and MSWD will be included in the state and federal Incidental Take permits issued for species covered by the CVMSHCP in lieu of the current case-by-case development review process, as it relates to biological resources. At the same time, the proposed Major Amendment will bring lands within the city limits of Desert Hot Springs into the CVMSHCP's comprehensive biological resource conservation strategy that provides adequate assurance of habitat conservation and long-term viability and protection of Covered Species.

1.5 Purpose of the Supplemental EIR/EIS

Section 6.12 of the Plan describes procedures for processing CVMSHCP Modifications, Like Exchanges to Conservation Areas, and Minor or Major Amendments to the CVMSHCP.

Modifications include Clerical Changes that do not change the intended meaning and corrections of any maps or exhibits to correct insignificant errors in mapping; Land Use Changes include adoption and amendment of general plans, specific plans, community plans, zoning ordinances and similar land use ordinances; and Adaptive Management Changes are changes to avoidance, minimization, compensation and CVMSHCP Conservation Area management strategies developed consistent with the Adaptive Management Program in Section 8 of the Plan. None of these modifications require any amendment to the CVMSHCP.

Like Exchanges are changes proposed by a Permittee to modify the boundary of one or more Conservation Areas in exchange for reducing or modifying the boundary of a Conservation Area. A Like Exchange must result in equal or greater benefits to Covered Species and conserved natural communities as compared to those benefits analyzed in the Plan. If the Wildlife Agencies concur with the Like Exchange Analysis that finds it results in equal or greater benefits to Covered Species, then an Amendment to the CVMSHCP is not required.

Minor Amendments are amendments to the CVMSHCP of a minor or technical nature where the effect on Covered Species, level of Take, and Permittees' ability to implement the CVMSHCP are not significantly different than those described in the CVMSHCP as originally adopted. Minor Amendments to the CVMSHCP shall not require amendments to the IA or the Permits.

Major Amendments are those proposed changes to the CVMSHCP and the Permits that are not Modifications, Like Exchanges or Minor Amendments as described in Section 6.12 of the Plan. Major Amendments to the CVMSHCP shall require a subsequent amendment to the IA and the Permits, and public notice as required by applicable laws and regulations. The CVCC shall submit any proposed Major Amendments to the Wildlife Agencies.

Major Amendments include, but are not limited to, the following:

1. All amendments not contemplated in the IA as modifications or Minor Amendments to the CVMSHCP, except subsequent minor changes which are not specifically listed as a Minor Amendment in the IA that the Wildlife Agencies have determined to be insubstantial and appropriate for implementation as a Minor Amendment.
2. Changes to the boundary of the CVMSHCP Plan Area.
3. Addition of species to the Covered Species list.
4. Changes in anticipated CVMSHCP Reserve Assembly or funding strategies and schedules that would have substantial adverse effects on the Covered Species.

The proposed Project meets the requirements of a Major Amendment because it involves changes to the Upper Mission Creek/Big Morongo Canyon Conservation Area, adds two new

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Permittees under the Plan, and increases Authorized Take for some Covered Species and natural communities. The boundary of the CVMSHCP Plan Area does not change but Desert Hot Springs will have the responsibility of using its land use authority in the Conservation Areas within the city limits. Major Amendments require the same process to be followed as the original CVMSHCP approval. This process includes California Environmental Quality Act (CEQA) and National Environmental Policy Act (NEPA) compliance.

Section 15162 of the State CEQA Guidelines, states that when an EIR has been certified for a project, no subsequent EIR shall be prepared for the project unless the lead agency determines one or more of the following: 1) Substantial changes are proposed in the project that involve new significant effects, a substantial increase in the severity of previously identified significant effects; 2) Substantial changes occur in the circumstances under which the project is undertaken involve significant new or increased effects; or 3) New information of substantial importance, which was not known and could not have been known with the exercise of reasonable diligence at the time the previous EIR was certified as complete shows any of the following:

- (A) The project will have one or more significant effects not discussed in the previous EIR or negative declaration;
- (B) Significant effects previously examined will be substantially more severe than shown in the previous EIR;
- (C) Mitigation measures or alternatives previously found not to be feasible would in fact be feasible, and would substantially reduce one or more significant effects of the project, but the project proponents decline to adopt the mitigation measure or alternative; or
- (D) Mitigation measures or alternatives that are considerably different from those analyzed in the previous EIR would substantially reduce one or more significant effects on the environment, but the project proponents decline to adopt the mitigation measure or alternative.

CVCC, the lead agency responsible for state environmental compliance, has determined that since none of the above circumstances are anticipated to occur with the revised CVMSHCP, a Supplemental rather than Subsequent EIR is appropriate. The NEPA guidelines indicate that an agency must prepare a supplement to either a draft or final EIS if it makes substantial changes in the proposed action that are relevant to environmental concerns, or if there are significant new circumstances or information relevant to environmental concerns and bearing on the proposed action or its impacts (CEQ NEPA Regulations, 40 C.F.R. § 1502.9(c)). In this case, the EIR/EIS being supplemented is the September 2007 Final Recirculated EIR/EIS for the Coachella Valley Multiple Species Habitat Conservation Plan (State Clearinghouse #200061079). The document

was certified by CVAG on September 10, 2007, and a Record of Decision was signed by USFWS on October 1, 2008. The approved Plan and associated environmental documents are available for review at <http://www.cvmshcp.org/>. As such, this joint Supplemental Environmental Impact Report/Environmental Impact Statement (SEIR/SEIS) addresses changes to the September 2007 Final Recirculated Coachella Valley CVMSHCP EIR/EIS that did not include Desert Hot Springs or MSWD as Permittees of the Plan.

1.6 Environmental Issues Analyzed in the SEIR/SEIS

This joint SEIR/SEIS has been prepared to address changes to the September 2007 Final Recirculated EIR/EIS that did not include Desert Hot Springs or MSWD as Permittees of the Plan. Per Section 15163 of the State CEQA Guidelines the supplement to the EIR need contain only the information necessary to make the previous EIR adequate for the project as revised. As such, this SEIR/SEIS focuses only on changes to the Final Recirculated EIR/EIS and on those environmental topics most likely to be affected by the Plan revisions as discussed in Section 2.0. For purposes of the SEIR/SEIS, the September 2007 Final Recirculated EIR/EIS shall be incorporated by reference pursuant to Section 15150 of the CEQA Guidelines.

The SEIR/SEIS prepared for the Project addresses those issues identified as a result of the Initial Study/Notice of Preparation (NOP) (Appendix A) and Federal Register review process (see below) and in accordance with NEPA (40 Code of Federal Regulations [CFR] 1500–1508), Title 14, California Code of Regulations (CCR), Section 15000 et seq., as amended, and the California Public Resources Code, Section 21000 et seq., State CEQA Guidelines, as amended. Based on the analysis contained in the Initial Study Checklist and comments received, it was determined that the SEIR/SEIS should focus on biological resources, land use, socioeconomic and fiscal impacts, and traffic and circulation.

1.7 Public Participation and Scoping Process

In compliance with NEPA, USFWS posted a Notice of Intent (NOI) in the Federal Register on March 30, 2011, and in accordance with CEQA Guidelines, a NOP was prepared by the CVCC and sent to the State Clearinghouse on March 30, 2011, for distribution to responsible state agencies. The NOP was also posted in the Desert Sun Newspaper on March 31, 2011, to inform the public of the proposed Major Amendment and Supplemental EIR/EIS being prepared. These actions initiated the 30-day public scoping period for the Project, which officially ended on May 2, 2011. The scoping process provides an opportunity for the lead agencies and the public to provide comments on the issues and scope of the SEIR/SEIS. The CVCC also held a public scoping meeting on April 4, 2011, at the Carl May Community Center in Desert Hot Springs, to further provide the public and other interested parties information on the CEQA and NEPA process and to give them opportunities to identify environmental issues and alternatives for

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INTRODUCTION AND PROPOSED PROJECT SUMMARY

consideration in the SEIR/SEIS. The public review period to comment on the Draft Supplemental EIR/EIS was from September 6, 2013 through October 21, 2013.

2.0 PROJECT DESCRIPTION

2.1 Proposed Action/Preferred Alternative

As indicated in Section 1.0, the Proposed Action and Preferred Alternative (Project) is considered a Major Amendment to the approved CVMSHCP to establish the City of Desert Hot Springs (City) and the Mission Springs Water District (MSWD) as Permittees of the Plan and issue Take Authorization under the Section 10(a) Permit associated with the Major Amendment activities. The Amendment to add the City as a Permittee of the Plan proposes that the Plan provisions and boundaries will be primarily based on the February 2006 CVMSHCP that included Desert Hot Springs, with modifications as described in the September 2007 Final Recirculated CVMSHCP to provide for Riverside County Flood Control and Water Conservation District's (County Flood Control) future flood control facility. The Upper Mission Creek/Big Morongo Canyon Conservation Area boundary would be amended to include all of the private lands within the City limits of Desert Hot Springs that were removed in 2006. The private lands to be added to restore the 2006 boundary of this Conservation Area total approximately 770 acres. Adding the City as a Permittee will require a Major Amendment to the Plan in accordance with the requirements outlined in Section 6.12.4 of the Plan, Major Amendments.

The 4,000 acre area annexed to the City from the County of Riverside on September 12, 2010 will not be included in the analysis in this Supplemental Environmental Impact Report/Environmental Impact Statement (SEIR/SEIS) because this area was analyzed in the 2007 Final Recirculated CVMSHCP EIR/EIS. However, the Fiscal Impact Analysis discussed in Section 4.3 of this SEIR/SEIS included data on the land use designations applicable to these lands, and whether the land was vacant or developed.

In addition, the Mission Springs Water District (MSWD) has also opted to become a Permittee to the Plan. The MSWD has proposed that a number of planned water and sewer infrastructure projects be included as Covered Activities under the CVMSHCP. Covered Activities include certain activities carried out or conducted by Permittees, Participating Special Entities, Third Parties Granted Take Authorization, and others within the CVMSHCP area, as described in Section 7 of the CVMSHCP, that will receive Take Authorization under the Section 10(a) Permit and the NCCP Permit, provided these activities are otherwise lawful. The City also has proposed that a number of roadway improvement projects be included in the Plan as Covered Activities. Details of the proposed Covered Activities are described in Section 2.3.

As discussed in more detail in Section 1.5 of this SEIR/SEIS, the Proposed Action meets the requirements of a Major Amendment and therefore requires the same process to be followed as the original CVMSHCP approval including CEQA/NEPA compliance. As such, although no

significant impacts related to the proposed Major Amendment are anticipated, this joint SEIR/SEIS will be prepared to address changes to the September 2007 Final Recirculated CVMSHCP EIR/EIS, which did not include Desert Hot Springs or MSWD as Permittees of the Plan. The U.S. Fish & Wildlife Service will serve as the federal lead agency ensuring compliance with the NEPA Guidelines and the Coachella Valley Conservation Commission (CVCC) will function as the regional agency ensuring compliance with CEQA. The CVCC is a joint powers authority made up of representatives of the Permittees to provide primary policy direction for implementation of the CVMSHCP, as set forth in Section 6.1.1 of the CVMSHCP. Although CVAG functioned as the state lead agency for the approved September 2007 Recirculated EIR/EIS, the CVCC, as the established Plan administrator, will serve as the state lead agency for this SEIR/SEIS.

The Major Amendment to the CVMSHCP to include the City and MSWD has been prepared concurrent with the SEIR/SEIS. An Initial Study Checklist/Notice of Preparation (NOP) was prepared for the Project and circulated for a 30-day public review and comment period beginning on April 1, 2011. As indicated in that document (Appendix A), none of the CEQA/NEPA environmental topics were anticipated to be potentially significant or likely to require mitigation beyond what is outlined in Section 4.4 of the Plan (avoidance, minimization, and mitigation requirements for Covered Activities within the Conservation Areas). However, based on comments received during the NOP review period, an effort was made to identify measures to ensure the continued viability of mesquite hummocks as a natural community and to enhance the Monitoring Program contained in Section 8.4 of the Plan as it pertains to mesquite hummocks. Further details can be found in Section 4.1 of this SEIR/SEIS. As part of the Major Amendment, both the City and MSWD would be responsible for ensuring compliance with the required avoidance, minimization and mitigation measures for Covered Activities within Conservation Areas as outlined in Section 4.4 of the Plan. These measures have been developed and incorporated into the CVMSHCP to avoid, minimize, and mitigate impacts to Covered Species, associated Habitat, natural communities, and Essential Ecological Processes. Therefore, the Major Amendment will provide conservation, monitoring and management, and mitigation consistent with the CVMSHCP for the approximately 770 acres of private lands to be added back into the Conservation Area.

The Plan also incorporates Land Use Adjacency Guidelines as described in Section 4.5 to avoid or minimize indirect effects from Development adjacent to or within the Conservation Areas. Such indirect effects are commonly referred to as edge effects, and may result from noise, lighting, drainage, intrusion of people into the adjacent Conservation Area, and the introduction of non-native plants and non-native predators such as dogs and cats.

In addition to the required Avoidance, Minimization, and Mitigation Measures and Land Use Adjacency Guidelines, Section 6.6.1 of the Plan specifies certain other obligations of all Local

Permittees for lands within and outside Conservation Areas. These obligations include the following:

➤ ***Within Conservation Areas***

- Ensure achievement of the Plan's Conservation Goals and Objectives and Required Measures in each Conservation Area identified in Section 4.3 and attainment of the Species Conservation Goals and Objectives identified in Section 9.
- As described in Sections 4.1.2 and 4.2.2.2.1, conserve Local Permittee owned land in the Conservation Areas. Except as otherwise set forth in this section, the Local Permittees shall commit their currently not-conserved lands to conservation in perpetuity within 3 years of Permit issuance.
- Existing and future lands on which the County Flood Control has Take Authorization for construction, operation, and maintenance of facilities that are Covered Activities will be conserved only to the extent compatible with the construction, operation, and maintenance of the facilities.
- Participate in the Joint Project Review Process for projects within Conservation Areas as described in Section 6.6.1.1 and implement the Land Use Adjacency Guidelines described in Section 4.5.
- Upon request from the Wildlife Agencies, the Local Permittees shall provide (a) an analysis and determination of consistency with the Plan at the time of, and along with, certification of applicable CEQA documents for approval of Development projects within Conservation Areas and (b) a copy of the final project approval documents within 30 days.
- Applicable Permittees will employ HANS as described in Section 6.6.1.2 as appropriate.
- Jurisdictions that received Take Authorization for the Coachella Valley fringe-toed lizard pursuant to the Incidental Take Permit issued for that species pursuant to the CVFTL HCP will relinquish the Permit and comply with Section 6.6.1.3 and IA Section 16.2.

➤ ***Within and Outside Conservation Areas***

- Ensure that habitat preservation is occurring in rough proportionality with Development and that Reserve Assembly occurs as contemplated in the CVMSHCP.
- Ensure compliance for public and private projects with all applicable Required Measures in Section 4.4.
- If a project shares a common boundary with a Conservation Area, require compliance with Land Use Adjacency Guidelines set forth in Section 4.5.
- Ensure compliance with Plan requirements for public projects.

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- Impose adopted Local Development Mitigation Fees. The Local Permittees shall be responsible for collecting all revenues generated within their respective jurisdictional boundaries for Plan implementation and transferring those revenues to CVCC within thirty (30) days of collection.
- Adopt an appropriate Plan implementation mechanism as set forth in Section 11.1 of the IA.
- Maintain a record of total acres and location of Development within its jurisdiction and transmit this information to CVCC monthly. The undeveloped portions of parcels in Conservation Areas on which Development is approved by a Permittee shall count toward meeting the CVMSHCP's Conservation Objectives only when the undeveloped portion of the parcel is legally described and permanently protected through an appropriate Legal Instrument, and provision is made for the land to be monitored and managed pursuant to the CVMSHCP's Monitoring Program and Management Program. Review of individual Development projects will occur in accordance with the Implementation Manual.
- At the end of each calendar year, convey any changes in city boundaries or general plan land use designations to CVCC for inclusion in its Annual Report to the Wildlife Agencies.
- Take will be allocated by the relevant Permittee(s).
- On parcels approved for Development, the Permittees shall encourage the opportunity to salvage Covered sand-dependent species in accordance with the Implementation Manual.

Certain other obligations are outlined for Permittees that own and administer lands within Conservation Areas including water agencies such as Coachella Valley Water District (CVWD) and Imperial Irrigation District (IID). Consistent with those obligations as outlined in Section 6.6.1 of the Plan, MSWD has committed to conservation measures for the approximately 61 acres that they own in the Conservation Areas and other measures for activities outside Conservation Areas. The proposed measures to be included in the Major Amendment include the following:

- Lands on which MSWD has Take Authorization for O&M of facilities that are Covered Activities will be conserved only to the extent compatible with the O&M of the facilities.
- For future projects *outside the Conservation Areas*, MSWD may commit an equivalent dollar value of its lands in the Conservation Areas to permanent Conservation in lieu of paying the Local Development Mitigation Fee. These lands are not subject to the requirement that Local Permittee-owned lands that are not currently conserved must be committed to Conservation in perpetuity within 3 years of Permit issuance.

- For future facilities (listed in the attached Table 1) that are Covered Activities *in a Conservation Area* for which MSWD is the lead agency, MSWD may commit an equivalent dollar value of its lands in the Conservation Areas to permanent conservation in lieu of paying the Local Development Mitigation Fee. CVCC will continue to be responsible for ensuring that the Conservation Area Conservation Objectives are met.
- If before Year 45 of Plan implementation, MSWD still owns land in the Conservation Areas that has not been conserved by any of the foregoing methods, MSWD shall cooperate with CVCC in the conservation of these lands through acquisition by CVCC or other means.
- Conservation will be accomplished through conveyance of fee title to CVCC, recordation of a conservation easement or other legal instrument, or entering into an MOU for cooperative management with CVCC.
- It is understood that some portion of MSWD's 61 acres will be needed for future facilities including permanent operational sites. These future facilities will require limited area; MSWD agrees to cooperate with CVCC to ensure that these facilities are consistent with the CVMSHCP Conservation Goals and Objectives, required measures, avoidance, minimization, and mitigation measures, and land use adjacency guidelines as applicable.

Additional specific MSWD obligations are discussed in Section 4.1.4 of this SEIR/SEIS. These additional obligations will be added to Section 6.6.1 of the Plan should this Major Amendment be adopted. These obligations include contribution of \$110,000 to the CVCC to provide for the permanent monitoring and management of the MSWD lands in the Conservation Areas in perpetuity as required by the CVMSHCP, including removal of invasive species and monitoring of mesquite hummocks. MSWD will also provide funds to support monitoring and analysis of groundwater levels in the amount of \$120,000, provide funds to CVCC to be used for the removal of non-native tamarisk from the Willow Hole Conservation Area in the amount of \$100,000, and provide \$20,000 toward a study being conducted by CVCC on the feasibility of mesquite restoration and development of a mesquite restoration plan.

2.2 Plan/Permit Amendments and Boundary Adjustments

The currently approved CVMSHCP acknowledges that over the life of the Permit, the Permittees may wish to amend the Plan. Such amendments are to be processed pursuant to the guidelines outlined in Section 6.12 of the Plan, including the Major Amendment analyzed in this document. Figure 1-2 in Section 1.0 shows the existing Conservation Area boundaries and proposed

changes to the Conservation Area boundaries that will be affected by the Major Amendment.

2.3 Covered Activities

The City of Desert Hot Springs and MSWD have proposed that the projects shown in Tables 2-1 and 2-2 be listed as Covered Activities in the Major Amendment. City of Desert Hot Springs proposed Covered Activities are roadway improvement projects and MSWD proposed Covered Activities include construction of wells, water storage facilities, water transmission lines, recycled water lines, and sewer lines. Those projects within or adjacent to Conservation Areas would be given Take Authorization subject to incorporation of the Avoidance, Minimization, and Mitigation measures and Land Use Adjacency Guidelines required by the Plan and any specific measures developed under the Major Amendment.

2.4 Take Authorization for Covered Activities

The Major Amendment proposes certain projects, categorized as Covered Activities in accordance with procedures under the existing Plan, which would receive Take Authorization. As indicated in the approved CVMSHCP, Covered Activities are of two types: 1) projects within or adjacent to Conservation Areas; and 2) those projects outside Conservation Areas. The development permitted or approved by Local Permittees includes, but is not limited to, new projects approved pursuant to county and city general plans including the circulation element of said general plans, transportation improvement plans for roads in addition to those addressed in Section 7.2 of the Plan, master drainage plans, capital improvement plans, water and waste management plans, the County's adopted Trails Master Plan, and other plans adopted by the Permittees.

The Take Authorization that would be granted to Desert Hot Springs would allow limited development, consistent with CVMSHCP Conservation Goals and Objectives, in the Conservation Areas. However, the approved CVMSHCP assumed that 10% of the Special Provisions Area within the Upper Mission Creek/Big Morongo Canyon Conservation Area would not be conserved, since Desert Hot Springs is not currently a Permittee. The amount of authorized disturbance, or Take, to be allocated to the City within Conservation Areas as a result of the Major Amendment would not exceed the amount of acres previously analyzed. Take outside Conservation Areas was analyzed in the 2008 Plan and will not increase the total amount of disturbance analyzed under the CVMSHCP Permit. However, through this Major Amendment, an additional 770 acres would be added to the Conservation Area and conserved, managed, and monitored consistent with the CVMSHCP.

The Covered Activities for each respective agency are shown on Figures 2-1 and 2-2.

Table 2-1
City of Desert Hot Springs Proposed Covered Activities

<i>Roadway Project</i>
Palm Dr. north of Pierson Blvd., south of Mission Lakes Blvd.
Indian Ave. north of 20th Ave., south of 19th Ave.
Indian Ave. north of 19th Ave., south of Dillon Rd.
Indian Ave. north of Dillon Rd., south of 14th Ave./Two Bunch Palms Tr.
Indian Ave. north of 14th Ave./Two Bunch Palms Tr., south of Pierson Blvd.
Indian Ave. north of Pierson Blvd., south of Mission Lakes Blvd.
Indian Ave. north of Mission Lakes Blvd., southeast of Worsley Rd.
Little Morongo Rd. north of Pierson Blvd., south of Mission Lakes Blvd.
Little Morongo Rd. north of 14th Ave./Two Bunch Palms Tr., south of Pierson Blvd.
Little Morongo Rd. north of Dillon Rd., south of 14th Ave./Two Bunch Palms Tr.
Mountain View Rd. north of Dillon Rd., south of Hacienda Ave.
Mountain View Rd. north of 20th Ave., south of Dillon Rd.
Dillon Rd. east of Palm Dr., west of Mountain View Rd.
Dillon Rd. east of Mountain View Rd., west of Bennett Rd.
Pierson Blvd. east of Hwy 62, west of Indian Ave.
Pierson Blvd. east of Indian Ave., west of Little Morongo Rd.
Pierson Blvd. east of Little Morongo Rd., west of Palm Dr.
Mission Lakes Blvd. east of Indian Ave., west of Little Morongo Rd.
Mission Lakes Blvd. east of Little Morongo Rd., west of Verbena Dr.
13th Ave./Hacienda Ave. east of Little Morongo Rd., west of Palm Dr.
13th Ave./Hacienda Ave. east of Palm Dr., west of Mountain View Rd.
Mountain View Rd. north of Varner Rd., south of 20th Ave.
Long Canyon Rd. north of Dillon Rd. to Hacienda Ave., west to Mountain View Rd.
14th Ave./Two Bunch Palms Tr. east of Indian Ave., west of Little Morongo Rd.
14th Ave./Two Bunch Palms Tr. east of Little Morongo Rd., west of Palm Dr.
14th Ave./Two Bunch Palms Tr. east of Palm Dr., west of Miracle Hill Rd.
Dillon Rd. east of Hwy 62, west of Indian Ave.
Dillon Rd. east of Indian Ave., west of Palm Dr.
20th Ave. east of Worsley Rd, west of Indian Ave.
20th Ave. east of Indian Ave., west of Little Morongo Rd.
20th Ave. east of Little Morongo Rd., west of Palm Dr.
20th Ave. east of Palm Dr., west of Mountain View Rd.
13th Ave./Hacienda Ave. east of Hwy 62, west of Indian Ave.
13th Ave./Hacienda Ave. east of Indian Ave., west of Little Morongo Rd.
Little Morongo Rd. north of 20th Ave., south of Dillon Rd.
Mission Lakes Blvd. east of Hwy 62, west of Indian Ave.
Palm Dr. north of Varner Rd., south of 20th Ave.
Palm Dr. north of 20th Ave., south of Dillon Rd.
Palm Dr. north of Dillon Rd., south of 14th Ave./Two Bunch Palms Tr.
Pierson Blvd. east of Palm Dr., west of Miracle Hill Rd.

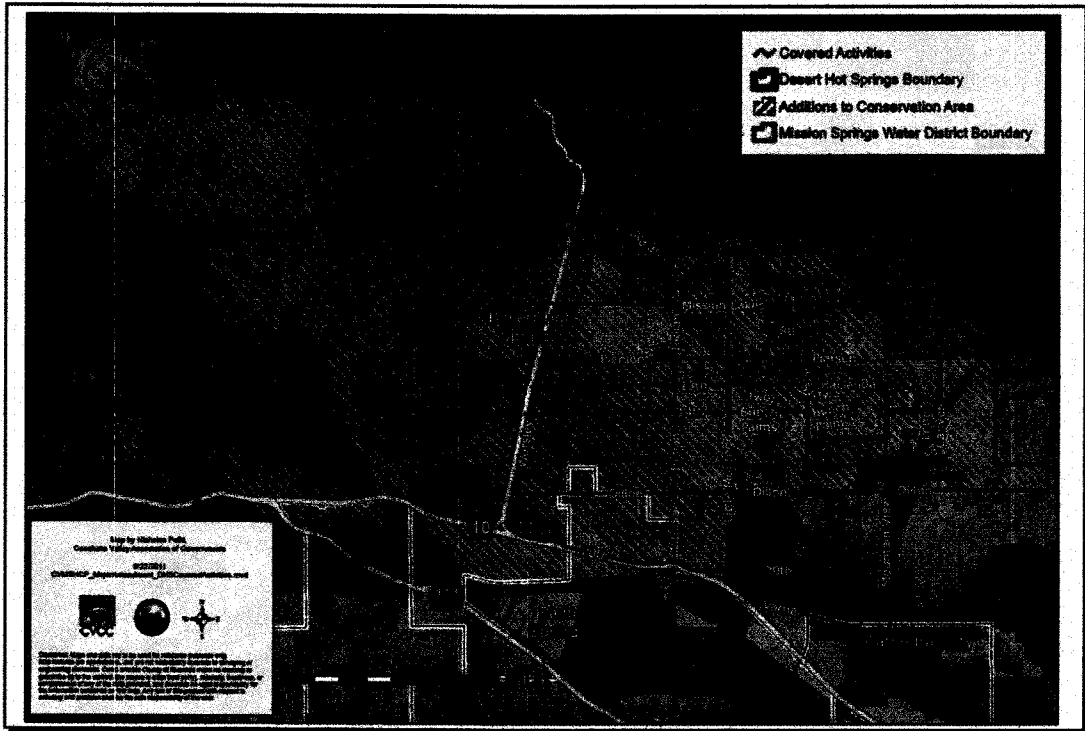
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Roadway Project
Pierson Blvd. east of Miracle Hill Rd. to Mountain View Rd., south to Hacienda Ave.
14th Ave./Two Bunch Palms Tr. east of Hwy 62, west of Indian Ave.
Varner Rd. south east of Little Morongo Rd., west of Palm Dr.
Worsley Rd. north of 20th Ave., south of Dillon Rd.
Worsley Rd. north of Dillon Rd., south of 14th Ave./Two Bunch Palms Tr.
Worsley Rd. north of 14th Ave./Two Bunch Palms Tr., south of Pierson Blvd.
Worsley Rd. north of Pierson Blvd., south of Indian Ave.
Varner Rd. east of Palm Dr., west of Mountain View Rd.
Bubbling Wells Rd. north of 20th Ave., south of Calle Campanero
8th Street east of Alignment of Golden Eagle Dr., west of Verbena Dr.
Western Ave. north of 14th Ave., south of Mission Lakes Blvd

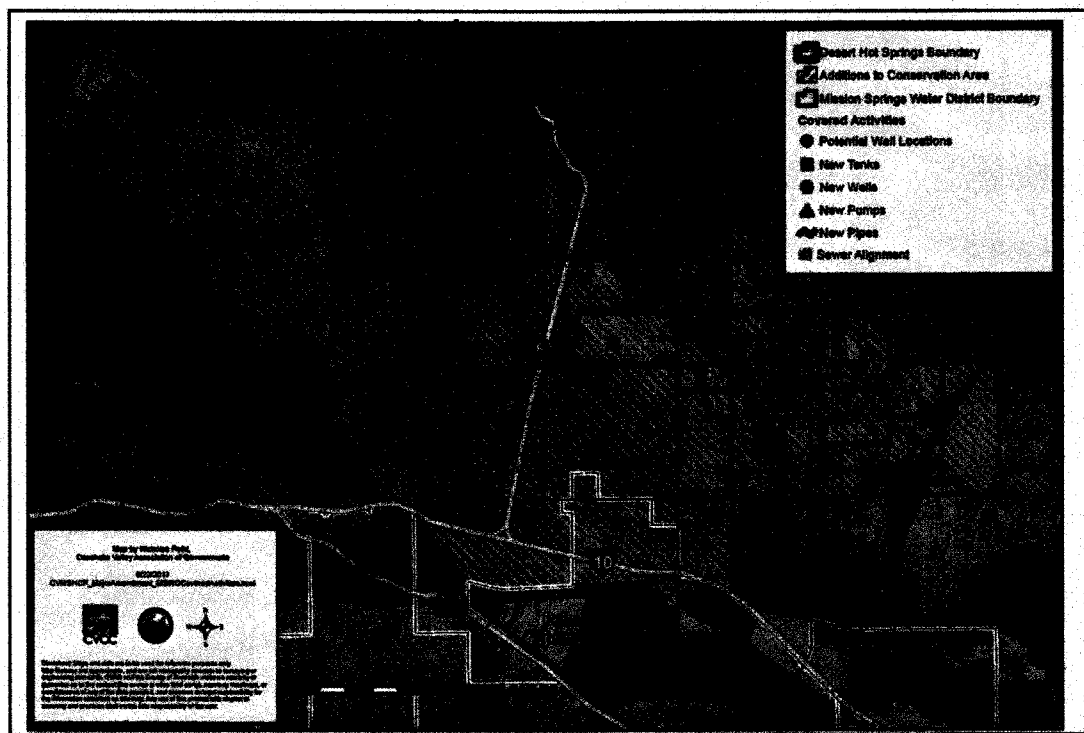
Table 2-2
MSWD Proposed Covered Activities

913 / 1070 Pressure Zone - Two wells and one reservoir.
1400 Pressure Zone-2 New Wells, 3 Water Transmission Lines-Little Morongo Road
1530 Pressure Zone-New Water Transmission Line-Indian Avenue to the north of Mission Lakes Boulevard
1700 Pressure Zone-1 Water Storage Reservoir-north of Verbena Drive
1875 Pressure Zone-3 Water Storage Reservoirs-
2035 Pressure Zone-3 Water Storage Reservoirs, 3 Water Transmission Lines-west of Highway 62, north of Mission Lakes Boulevard
2155 Pressure Zone-1 Water Storage Reservoir and one water transmission line -West of Mission Creek Trails project
Network of sewer main lines along Dillon Road to Palm Drive and onto Indian Avenue.
One sewer trunk line under the 62 freeway down Dillon Road to Diablo, and then to 18 th Avenue
Recycled Water and Purple Pipe lines – Pipe #1 from the future Regional Wastewater Treatment Plant. Pipe #2 from the Horton Wastewater Treatment Plant.

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Coachella Valley Multiple Species Habitat Conservation Plan Major Amendment
Desert Hot Springs Covered Activities **FIGURE 2-1**



Coachella Valley Multiple Species Habitat Conservation Plan Major Amendment
Mission Springs Water District Covered Activities **FIGURE 2-2**

2.5 Alternatives to the Proposed Action

In developing alternatives to be addressed in this SEIR/SEIS, consideration was given regarding their ability to: (1) meet the USFWS purpose and need for deciding whether to amend the CVMSHCP and permit; (2) meet the basic objectives of the Project described in Section 2.0; and (3) eliminate significant environmental impacts as identified in Section 4.0 of this SEIR/SEIS.

Pursuant to CEQA Guidelines, Section 15126.6(e)(2), CEQA requires that an environmentally superior alternative, other than the No Project Alternative, be identified in an EIR, after comparing the potentially significant impacts of each alternative as compared to the Proposed Project. NEPA requires that in addition to the agency's Preferred Alternative, the *environmentally preferable* alternative be identified.

As discussed in detail in Section 7.0, this document supplements the approved September 2007 Recirculated EIR/EIS that discusses a wide range of alternatives to the CVMSHCP that

considered approving the Plan without the City of Desert Hot Springs as a Permittee. The Proposed Action/Preferred Alternative is considered the environmentally superior alternative under CEQA and the environmentally preferred alternative under NEPA because it is the only alternative that would meet the primary objectives of the Project, which is adding both Desert Hot Springs and Mission Springs Water District as Permittees of the Plan. Amending the CVMHCP and permit as proposed would be the environmentally preferable alternative because adding these two new permittees would provide a more comprehensive and cohesive Plan that would benefit the Covered Species and natural communities protected within the Plan Area. Furthermore, no significant environmental impacts of the Proposed Action/Preferred Alternative have been identified in this SEIR/SEIS.

Therefore, the alternatives discussed in the approved September 2007 Recirculated EIR/EIS provide sufficient analysis and no further alternatives other than an updated No Action/No Project Alternative are considered in this SEIR/SEIS for the Plan Amendment. However, each of the environmental topics discussed in Section 4.0 provide an analysis of whether the proposed Major Amendment would change any conclusions contained in each of the alternatives. These alternatives include a Public Lands Alternative; Core Habitat with Ecological Processes Alternative; and an Enhanced Conservation Alternative.

3.0 ENVIRONMENTAL SETTING/AFFECTED ENVIRONMENT

Introduction

In accordance with Section 15125 of the CEQA Guidelines and Section 1502.15 of NEPA, the general environmental setting or affected environment for the Project area is provided in this section. More detailed descriptions of the setting specifically pertaining to each environmental issue are provided at the beginning of each impact issue area addressed in Section 4.0.

3.1 Existing and Surrounding Land Use

Existing Land Use

City of Desert Hot Springs

The City of Desert Hot Springs is located in the northwestern portion of the Coachella Valley in Riverside County. The City is generally bounded by the San Bernardino Mountains west of Highway 62, the Little San Bernardino Mountains to the north, Long Canyon Road on the east and Interstate 10 on the south (refer to Figure 1-2). The incorporated City limits, which are subject to analysis in this SEIR/SEIS, encompass approximately 23 square miles.

The City also recently annexed approximately 4,000 acres (the I-10 Annexation area) of unincorporated territory, previously under Riverside County's jurisdiction, into the City's municipal service boundaries. The I-10 Annexation area is mostly vacant desert lands, interspersed with low density residential, commercial, light industrial, and wind energy uses. The annexation did not include or authorize any site-specific development projects, capital improvements, community facilities, or other forms of development. The I-10 Annexation was approved by the Riverside County Local Agency Formation Commission (LAFCO) on September 12, 2010. This increased the size of the City from approximately 23 square miles to approximately 29.3 square miles. However, the roughly 6.3 square mile annexation area is not included in the analysis in this document since the City of Desert Hot Springs was delegated Permittee status for the affected area by the CVCC as part of the annexation process. This action involved a transfer of existing conservation lands and Permittee status from the County to the City; no new Conservation Area or additions to the overall Plan Area were created because the Conservation Area within the annexation area was already included in the CVMSHCP through Riverside County as a designated Permittee. Consistent with Section 12.21 of the CVMSHCP Implementing Agreement, the City has adopted the Local Development Mitigation Fee, to be levied on new development within the annexation area, and has committed to implementing the

applicable Conservation Goals and Objectives, and minimization measures of the Plan within the affected annexation area. In addition, the existing County of Riverside General Plan policies have been retained so that the present rules governing land uses in the affected annexation area will not change. Pursuant to state law, the land use designations within the annexation area cannot be changed for two (2) years following approval of an annexation. Future development within this area will be subject to independent environmental review and subject to the applicable Conservation Goals and Objectives, and minimization measures of the Plan. Consequently, the approximate 6.3 square mile annexation area is not included in this analysis as it is already subject to the provisions of the CVMSHCP.

Most of the area within the city limits that is currently developed is located in the eastern portion of the City generally in the vicinity of Mission Lakes Boulevard on the north, Dillon Road on the south, Indian Avenue on the west, and Mountain View Road to the east. The majority of the developed area includes a mix of lower density, single-family and multi-family residential uses within subdivisions. There are also older, individually-built homes and higher density condominiums, apartment dwellings, and mobile home parks. This is the part of the City that also contains the majority of retail/commercial uses and public facilities such as schools, police and fire departments, and city government. There are also a number of hotels and resorts/spas in this area. The portion of the City generally to the west of Little Morongo Road contains scattered single family homes and residential subdivisions in between expanses of open desert land.

Mission Springs Water District

Mission Springs Water District (MSWD) provides water and sewer service to an approximately 135 square mile area and a population of approximately 30,000. The area served by MSWD is located in the northwestern portion of the Coachella Valley and encompasses the entire incorporated city limits of Desert Hot Springs, unincorporated areas of Riverside County, and a small area of the northern portion of Palm Springs. The northern boundary extends to the Riverside County line; the western boundary generally follows the limits of the Morongo Indian Reservation and the southern and eastern boundaries abut the Coachella Valley Water District (CVWD) boundaries (Refer to Figure 1-2).

Surrounding Land Use

Land uses surrounding the Major Amendment area are primarily under the County of Riverside's land use authority, with a limited area near the southwest portion of Desert Hot Springs that is under the City of Palm Springs jurisdiction. Unincorporated County areas north of the City are designated Desert Areas near the base of the Little San Bernardino Mountains, Mountainous

Areas within the foothills, and Water Resources along Mission Creek and Morongo Wash. Existing land use in this area consists of large expanses of rugged, undeveloped desert.

Adjoining County lands to the west are also designated as Mountainous Areas within the foothills of the San Bernardino Mountains, Desert Areas in low-lying areas at the base of the mountains, and Water Resources along the Whitewater River. Existing land use in this area consists of windfarm development, and scattered low density, single-family homes within the unincorporated community of Painted Hills.

Areas south of the City include a combination of lands managed by Riverside County and the City of Palm Springs. Palm Springs jurisdictional lands south of Desert Hot Springs and north of the I-10 Freeway are primarily designated for windfarm, industrial and related development, with the exception of a small area near the northwest corner of I-10 and Indian Avenue, which has been designated for commercial uses. Palm Springs lands immediately south of I-10 and north of the Union Pacific Rail line, including portions of the Whitewater River have Limited Industrial, Conservation and Desert designations. Existing land uses in this area include the I-10 Freeway, windfarm facilities, electrical substations and regional transmission line corridors, along with general commercial and light industrial uses at the southwest corner of the Indian Avenue and I-10 interchange. County lands south of Desert Hot Springs are designated for commercial, a mix of residential, industrial and water resources. Existing land uses in these areas include more windfarm facilities and vacant desert land.

Adjoining Riverside County lands to the northeast of Desert Hot Springs include Mountainous Areas, with low density residential and limited commercial lands to the immediate east and southeast. These areas are primarily undeveloped, with scattered low density residential development. Land use changes resulting from the Major Amendment process are discussed in Section 4.2 of this document.

Topography

The physical character of the City and MSWD planning area is largely defined by the San Bernardino Mountains and Little San Bernardino Mountains to the west and north respectively. Hydrologic processes emanating from these adjacent mountain ranges have created washes that drain toward the valley floor creating alluvial fans and plains, sand dunes, and rocky sand fields. The City is situated on a gently sloping alluvial fan with a consistent slope trending from the foothills in the north toward the valley floor in the south. The Major Amendment area varies greatly in elevation and topographic features, with elevations ranging from approximately 2,800 feet above sea level within the foothills of the Little San Bernardino Mountains in the northeast,

to approximately 580 feet above sea level near the I-10/Palm Drive interchange near the southern portion of the Major Amendment area. Other mountain ranges visible from the City include the San Jacinto Mountains to the south and southwest, and the more distant Santa Rosa Mountains further south and southeast.

Climate

The climate of the area affected by the proposed Major Plan Amendment is similar to the overall Coachella Valley which is characterized as an arid desert type climate, with hot summers, mild winters, and very little annual rainfall. Precipitation is less than 6 inches annually and occurs mostly in the winter months and in the late summer months from thunderstorms. The majority of precipitation generated by these storms falls on the adjoining mountain slopes, resulting in generally higher rainfall in the western and northern portions of the Major Amendment area. Daytime temperatures in the valley can reach 125 degrees on the desert floor, while winter nights can fall to sub-freezing temperatures. The mountainous areas bounding the valley are generally cooler than the valley floor, averaging approximately a 5 degree reduction for every 1,000 foot rise in elevation. Consequently, temperatures found in the northern and western regions of the Major Amendment area are slightly cooler on average than temperatures at the lower elevations in the south. During the winter season, daytime highs are quite mild, although dry air is conducive to nocturnal radiational cooling, with early morning lows around 40 degrees.

The Major Amendment area is exposed to frequent gusty winds. The extreme aridity of the region combines with the coastal air masses that are funneled through the San Gorgonio Pass located southwest of the Major Amendment area, and creates strong wind conditions throughout the area, typically in the spring months of April through June. The strongest and most persistent winds typically occur immediately to the east of the San Gorgonio Pass, which is noted as a wind power generation resource area.

Revised Plan Area

As shown on Figure 1-2, there are five separate areas proposed to be added to the Upper Mission Creek/Big Morongo Canyon Conservation Area within the City limits that together total approximately 770 acres. Four of these added areas are located in the western portion of the City limits west of State Route 62. The three smaller portions of this area are currently designated as Residential Estate, 1 dwelling per 10 acres (RE-10) in the City's General Plan adopted in 2000. These parcels are currently undeveloped. The largest of the four parcels is designated as a combination of Industrial-Energy Related and Open Space-Mountain Reserve. It is largely vacant except for some wind energy development along several ridgelines. The final added area

is located in the north-central portion of the City just north of Mission Lakes Boulevard and west of Mission Creek. The current land use designation is Residential Low Density (0-5 du/ac) with a Specific Plan Overlay. This parcel is presently undeveloped. The City's General Plan is being updated concurrent with preparation of this SEIR/SEIS, and the proposed land use changes will reflect the City's commitment to becoming a Permittee of the Plan by assigning conservation and rural land use designations in the Conservation Areas within the city limits. A more detailed discussion of land uses in these areas and proposed changes to the land use designations is provided in Section 4.2.

4.1 BIOLOGICAL RESOURCES

4.1.1 Introduction and Methodology

This section provides a general discussion of existing biological resources within the area affected by the Major Amendment and discusses potential project impacts to biological resources. This analysis is a supplement to the Biological Resources discussion in the September 2007 Recirculated EIR/EIS prepared for the CVMSHCP. It focuses only on those changes resulting from adding the City and MSWD as Permittees of the Plan and is not meant to be a comprehensive analysis of biological conditions within the entire Plan area. Additionally, as noted in Section 2.0, the approximately 4,000 acre area annexed to the City from the County of Riverside in September 2010 will not be included in the environmental analysis of this SEIR/SEIS since the annexation area was addressed in the September 2007 Recirculated EIR/EIS. However, the Fiscal Impact Analysis discussed in Section 4.3 includes data on the land use designations applicable to these lands, and whether the land was vacant or developed.

4.1.2 Existing Conditions/Affected Environment

As described in the Environmental Setting/Affected Environment section of this document (Section 3.0) the majority of land area within the City of Desert Hot Springs is currently undeveloped vacant desert land. The developed area is primarily in the eastern portion of the City and consists of a mix of single and multi-family residences and various commercial uses along with public facilities such as schools, parks, police, fire and other City government uses. A detailed discussion of existing land uses is contained in Section 4.2.

Natural Communities

Most of the undeveloped land in the western portion of the City consists of desert scrub natural communities including Sonoran creosote bush scrub, comprised primarily of creosote and burrobush with widely spaced shrub growth intermixed with bare ground, and Sonoran mixed woody and succulent scrub, comprised of creosote and other shrubs with various cactus species. Portions of these natural communities also occur to the east of the downtown core as well as an area of Mojave mixed woody scrub in the northeast portion of the City.

Sensitive Wildlife

Sensitive wildlife species that may occur in or adjacent to the City have been described in detail and identified as Covered Species in the September 2007 Final Recirculated EIR/EIS and the approved Plan, including: burrowing owl; desert tortoise; Coachella Valley Jerusalem cricket; Coachella Valley fringe-toed lizard; Le Conte's thrasher; Palm Springs pocket mouse; and Coachella Valley round-tailed ground squirrel.

Other wildlife species not included in the Covered Species list that are identified in the California Natural Diversity Data Base (CNDDDB) for the Desert Hot Springs area are state Species of Special Concern including the coast horned lizard (*Phrynosoma blainvillii*), pallid San Diego pocket mouse (*Chaetodipus fallax pallidus*), red diamond rattlesnake (*Crotalus ruber*), San Diego desert woodrat (*Neotoma lepida intermedia*); and one watch list species, the prairie falcon (*Falco mexicanus*). Several of these species were considered in the development of the CVMSHCP; due to their coastal distribution they were not included in the Covered Species list.

Sensitive Plant Species

Sensitive Plant species that are Covered Species and that may occur in or adjacent to the City include the federally endangered Coachella Valley milkvetch and triple-ribbed milkvetch, and Little San Bernardino Mountains linanthus, a California Species of Special Concern.

Other sensitive plant species identified in the CNDDDB for this area include chaparral sand verbena (*Abronia villosa* var. *aurita*, rare plant rank 1B.1), white-bracted spineflower (*Chorizanthe xanti* var. *leucotheca*, 1B.2), spiny-hair blazing star (*Mentzelia tricuspis*, 2.1), cliff spurge (*Euphorbia misera*, 2.2), desert spike-moss (*Selaginella eremophila*, 2.2), slender cottonheads (*Nemacaulis denudata* var. *gracilis*, 2.2), and Arizona spurge (*Chamaesyce arizonica*, 2.3).

4.1.3 Thresholds of Significance/Criteria for Determining Significance

The following thresholds are taken from the certified September 2007 Recirculated EIR/EIS and reflect both NEPA and CEQA thresholds agreed to by all the Parties for analysis of biological impacts. Because CEQA has more stringent and detailed thresholds related to biological resources, over those for NEPA, the following thresholds are based on the criteria identified in Appendix G of the CEQA Guidelines. The proposed project would have a significant impact on biological resources if it would:

- a. *Have a substantial adverse effect, either directly or through habitat modifications, on any species identified as a candidate, sensitive or special status species in local or regional plans, policies, or regulations, or by the California Department of Fish and Game or U.S. Fish and Wildlife Service.*
- b. *Have a substantial adverse effect on any riparian habitat or other sensitive natural community identified in local or regional plans, policies, regulations or by the California Department of Fish and Game or U.S. Fish and Wildlife Service.*
- c. *Have a substantial adverse effect on federally protected wetlands as defined by Section 404 of the Clean Water Act (including, but not limited to, marsh, vernal pool, coastal, etc.) through direct removal, filling, hydrological interruption or other means.*

- d. Interfere substantially with the movement of any native resident or migratory fish or wildlife species or with established native resident or migratory wildlife corridors, or impede the use of native wildlife nursery sites.*
- e. Conflict with any local policies or ordinances protecting biological resources, such as a tree preservation policy or ordinance.*
- f. Conflict with the provisions of an adopted Habitat Conservation Plan, Natural Community Conservation Plan or other approved local, regional, or state habitat conservation plan.*

4.1.4 Biological Resource Impacts/Environmental Consequences

Proposed Action/Preferred Alternative

Covered Activities

As discussed in Sections 1.0 and 2.0 of this document, both the City of Desert Hot Springs and MSWD have requested that a number of anticipated projects within their boundaries be established as Covered Activities as provided for in the Plan. Covered Activities as defined in Section 7 of the Plan include certain activities carried out or conducted by Permittees, Participating Special Entities, third parties granted Take Authorization and others within the Plan Area that will receive Take Authorization under the Section 10(a) Permit and the NCCP Permit, provided these activities are otherwise lawful.

The Plan requires permanent protection of specified acreages to ensure the continued persistence of the identified natural communities and Habitat for the Covered Species. The number of acres of additional authorized disturbance as well as additional conservation proposed in this Major Amendment are shown in Table 4.1-1 for Covered Species. Table 4.1-2 identifies the additional acres of impact and conservation for natural communities. The increase in authorized disturbance in Conservation Areas provided for in the Major Amendment would result from the covered projects identified for Mission Springs Water District. When Desert Hot Springs opted not to participate in the CVMSHCP in 2006, it was anticipated that development would still occur inside and outside the Conservation Areas. Therefore, the amount of disturbance, or Take, authorized in the 2008 Permit the acres subject to disturbance within the city of Desert Hot Springs. City of Desert Hot Springs covered projects in the Conservation Areas are road improvements that are already covered as CVAG's covered projects. Although this Take was authorized by the state and federal permits, as a non-Permittee, the City does not have the authority to allocate this Take. The Major Amendment will include Take authorization for Desert Hot Springs in the CVMSHCP Permits, allowing the disturbance to occur consistent with the Plan Conservation Goals and Objectives.

The additional disturbance to Covered Species and natural communities associated with MSWD Covered Activities will be mitigated through the Plan by permanent protection of habitat within Conservation Areas and contributions to the Adaptive Management and Monitoring Program. MSWD projects will be subject to the Joint Project Review process to minimize the potential impacts and ensure consistency with Conservation Goals and Objectives.

Sensitive Species and Natural Communities

Major Amendment benefits would include the expansion of conserved, unfragmented Habitat and natural communities, continued maintenance of Essential Ecological Processes to sustain the Covered Species and their Habitat, and further protection of Biological Corridors and Linkages. Most of the disturbance associated with the city of Desert Hot Springs is already covered under the existing Permit. As shown in Table 4.1-1, the potential additional disturbance authorized by the Major Amendment is limited (less than three acres) for a majority of the Covered Species and would not exceed approximately 29 acres of Habitat (e.g., desert tortoise). The disturbance allowed under the Preferred Alternative would be less than significant for CEQA/NEPA analysis purposes because additional loss of Habitat within Conservation Areas would be offset by approximately 770 acres of additional conservation within the Conservation Area, including desert tortoise Habitat. The following summarizes the acres of additional disturbance and conservation identified in Table 4.1-1 for the affected Covered Species:

For several of the Covered Species associated with sand dunes or sandy substrates (Coachella Valley milkvetch, Coachella Valley giant sand treader cricket, Coachella Valley fringe-toed lizard, Flat-tailed horned lizard), the amount of additional Take to be authorized through the Major Amendment is two to three acres. The 770 acres of additional conservation added to the Conservation Area includes two acres of additional conservation of milkvetch habitat but does not include habitat for the other species. The additional disturbance of two to three acres for the sand treader cricket and fringe-toed lizard is in areas where the active sand dune habitat these species prefer is not present. Two acres of additional conservation are also identified for the Coachella Valley Jerusalem cricket; this area is at the margins of potential habitat for this species. The impact of this potential disturbance will be offset by the avoidance, minimization, and mitigation measures as well as species conservation goals and objectives that require sustainable populations are maintained.

The additional disturbance identified for the Little San Bernardino Mountains linanthus would not exceed 12 acres. The additional 770 acres of conservation lands does not include modeled linanthus habitat. However, the conservation objective for linanthus within the Plan area, will remain approximately the same even with a slight increase in the acres of Take authorized. Additionally, a net conservation benefit is anticipated as the provisions of the CVMSHCP, including avoidance, minimization and mitigation measures, species conservation objectives, and

the Joint Project Review process will ensure that disturbance is minimized. Finally, since 1996, over 66% of the 2,235 acres of linanthus habitat remaining to be conserved have been acquired for conservation in perpetuity, the conserved lands include 40 of the 63 known occurrences for linanthus, and the Upper Mission Creek/Morongu Wash Conservation Area continues to be a priority acquisition area.

For all other Covered Species identified in Table 4.1-1, the increase in acres to be conserved exceeds the additional acres of disturbance. For example, the desert tortoise, 665 additional acres will be conserved compared with the 29 acres of potential additional disturbance.

The additional conserved Habitat will be included in the Management and Monitoring Program to ensure persistence of the Covered Species. Other sensitive or special status species identified in Section 4.1.2 are also expected to benefit from the additional conservation, monitoring and management under the Preferred Alternative. Overall, we anticipate a net conservation benefit with the Preferred Alternative relative to the No Action Alternative.

Table 4.1-1
Comparison of Take Authorized for
Covered Species in 2008 Permit and Proposed Major Amendment

Species Name (27 Species)	Listing Status Federal/State	Extent of Take Authorized (2008 Permit)	Extent of Take Authorized (Major Amendment)	Additional Take (acres)	Additional Conservation (acres)
*LISTED PLANTS					
Coachella Valley milk-vetch (<i>Astragalus lentiginosus</i> var. <i>cochellae</i>)	FE/-	15,706 acres	15,709 acres	3	2
Triple-ribbed milkvetch (<i>Astragalus tricarinatus</i>)	FE/-	278 acres	278 acres	0	0
*UNLISTED PLANTS					
Mecca aster (<i>Xylorhiza cognata</i>)	-/-	6,459 acres	6,459 acres	0	0
Orocopia sage (<i>Salvia greatae</i>)	-/-	6,960 acres	6,960 acres	0	0

Table 4.1-1
Comparison of Take Authorized for
Covered Species in 2008 Permit and Proposed Major Amendment

Species Name (27 Species)	Listing Status Federal/State	Extent of Take Authorized (2008 Permit)	Extent of Take Authorized (Major Amendment)	Additional Take (acres)	Additional Conservation (acres)
Little San Bernardino Mountains linanthus (<i>Linanthus maculatus</i>)	-/-	695 acres	707 acres	12	0
UNLISTED INVERTEBRATES					
Coachella Valley giant sand-treader cricket (<i>Macrobaenetes valgum</i>)	-/-	13,802 acres	13,804 acres	2	0
Coachella Valley Jerusalem cricket (<i>Stenopelmatus calhillaensis</i>)	-/-	10,236 acres	10,239 acres	3	2
LISTED FISH					
Desert pupfish (<i>Cyprinodon macularius</i>)	FE/SE	Take of individuals from ongoing operations	Take of individuals from ongoing operations	0	0
LISTED AMPHIBIANS					
Arroyo toad (<i>Bufo californicus</i>)	FE/CSC	89 acres	89 acres	0	0
LISTED REPTILES					
Desert tortoise (<i>Gopherus agassizii</i>)	FT/ST	68,453 acres	69,482 acres	29	694
Coachella Valley fringe-toed lizard (<i>Uma inornata</i>)	FT/SE	13,801 acres	13,803 acres	2	0
UNLISTED REPTILES					
Flat-tailed horned lizard (<i>Phrynosoma mcalli</i>)	-/CSC	19,520 acres	19,523 acres	3	0
LISTED BIRDS					

**Table 4.1-1
Comparison of Take Authorized for
Covered Species in 2008 Permit and Proposed Major Amendment**

Species Name (27 Species)	Listing Status Federal/State	Extent of Take Authorized (2008 Permit)	Extent of Take Authorized (Major Amendment)	Additional Take (acres)	Additional Conservation (acres)
Yuma clapper rail (<i>Rallus longirostris yumanensis</i>)	FE & MBTA/ ST & SFP	71 acres	71 acres	0	0
Southwestern willow flycatcher (<i>Empidonax traillii extimus</i>)	FE & MBTA/SE	180 acres of breeding habitat 15,600 acres of migratory habitat	180 acres of breeding habitat 15,603 acres of migratory habitat	3	18
Least Bell's vireo (<i>Vireo bellii pusillus</i>)	FE & MBTA/SE	778 acres of breeding habitat 15,021 acres of migratory habitat	778 acres of breeding habitat 15,024 acres of migratory habitat	3	18
UNLISTED BIRDS					
California black rail (<i>Laterallus jamaicensis coturniculus</i>)	MBTA/ST & SFP	66 acres	66 acres	0	0
Burrowing owl (<i>Athene cunicularia</i>)	MBTA/CSC	55 occurrences	55 occurrences	0	0
Crissal thrasher (<i>Toxostoma crissale</i>)	MBTA/CSC	5,231 acres	5,231 acres	0	0
Le Conte's thrasher (<i>Toxostoma lecontei</i>)	MBTA/CSC	97,752 acres	97,780 acres	28	154
Gray vireo (<i>Vireo vicinior</i>)	MBTA/CSC	3,945 acres	3,945 acres	0	0
Yellow warbler (<i>Dendroica petechia brewsteri</i>)	MBTA/CSC	180 acres of breeding habitat 15,620 acres of migratory habitat	180 acres of breeding habitat 15,623 acres of migratory habitat	3	18

**Table 4.1-1
Comparison of Take Authorized for
Covered Species in 2008 Permit and Proposed Major Amendment**

Species Name (27 Species)	Listing Status Federal/State	Extent of Take Authorized (2008 Permit)	Extent of Take Authorized (Major Amendment)	Additional Take (acres)	Additional Conservation (acres)
Yellow-breasted chat (<i>Icteria virens</i>)	MBTA/CSC	180 acres of breeding habitat 15,606 acres of migratory habitat	180 acres of breeding habitat 15,609 acres of migratory habitat	3	18
Summer tanager (<i>Piranga rubra</i>)	MBTA/-	180 acres of breeding habitat 15,620 acres of migratory habitat	180 acres of breeding habitat 15,623 acres of migratory habitat	3	18
LISTED MAMMALS					
Peninsular bighorn sheep (<i>Ovis canadensis</i>)	FE/ST & SFP	6,873 acres	6,906 acres	0	0
UNLISTED MAMMALS					
Coachella Valley round-tailed ground squirrel (<i>Spermophilus tereticaudus chlorus</i>)	FC/CSC	62,366 acres	62,385 acres	19	123
Western (Southern) yellow bat (<i>Lasiurus ega xanthinus</i>)	-/-	78 acres	78 acres	0	0
Palm Springs pocket mouse (<i>Perognathus longimembris bangsi</i>)	-/CSC	76,889 acres	76,917 acres	28	144

As shown in Table 4.1-2, disturbance to natural communities is limited to approximately 34 acres. Disturbance allowed under the Preferred Alternative would be less than significant for CEQA/NEPA analysis purposes because permanent protection of natural communities would be offset by additional conservation as a result of additions to the Upper Mission Creek/Big Morongo Canyon Conservation Area. Table 4.1-2 identifies the additional conservation resulting from these additions for the affected natural communities. These natural communities will be

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included in the Adaptive Management and Monitoring Program to ensure persistence of the Covered Species, natural communities, and ecosystem processes.

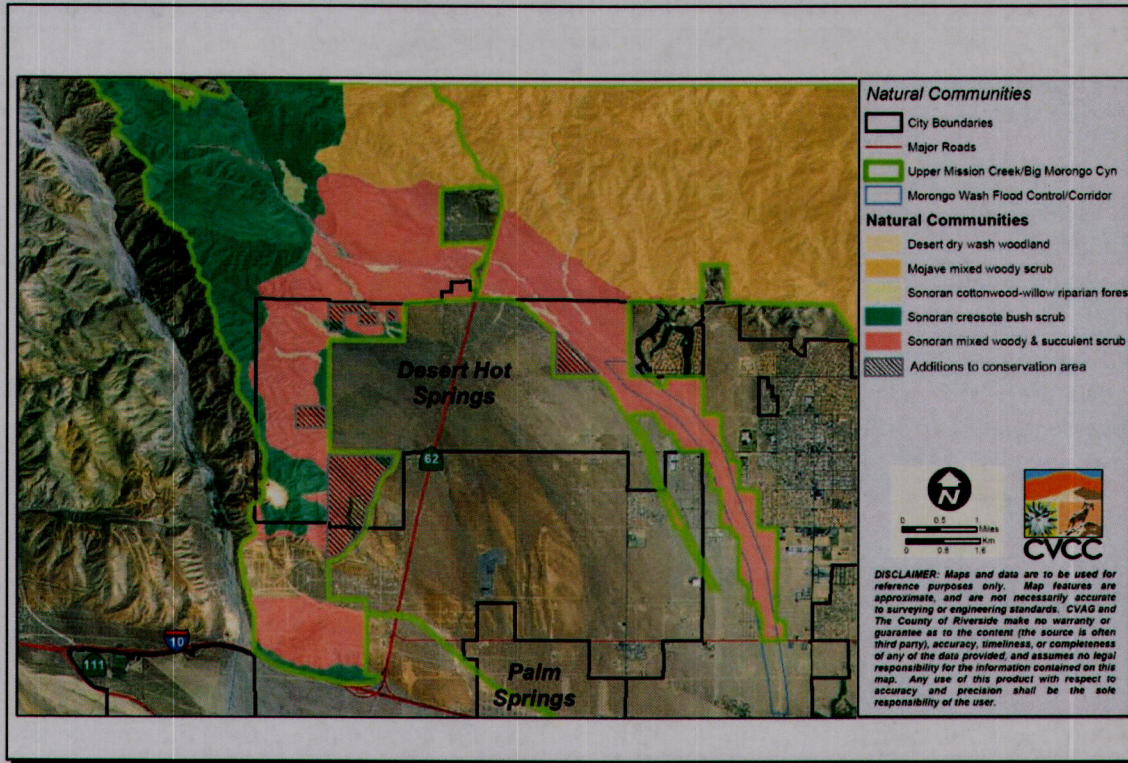
Table 4.1-2
Comparison of Impact to Natural Communities in 2008 Permit and Major Amendment

Natural Community	Total Acres Subject to Impact (2008 Permit)	Total Acres Subject to Impact (Major Amendment)	Additional Disturbance (acres)	Additional Conservation (acres)
Active Desert Dunes	25	25	0	0
Stabilized & Partially Stabilized Desert Sand Dunes	94	95	1	0
Active Desert Sand Fields	1,519	1,519	0	0
Ephemeral Desert Sand Fields	885	886	1	0
Stabilized & Partially Stabilized Desert Sand Fields	296	296	0	0
Stabilized Shielded Desert Sand Fields	10,928	10,928	0	0
Mesquite Hummocks	550	550	0	0
Sonoran Creosote Bush Scrub	54,818	54,822	4	66
Sonoran Mixed Woody & Succulent Scrub	24,385	24,411	26	554
Mojave Mixed Woody Scrub	5,891	5,891	0	0
Desert Saltbush Scrub	4,552	4,552	0	0
Desert Sink Scrub	1,699	1,699	0	0
Chamise Chaparral	52	52	0	0
Redshank Chaparral	979	979	0	0
Semi-Desert Chaparral	305	305	0	0
Interior Live Oak Chaparral	3,858	3,858	0	0
Cismontane Alkali Marsh	23	23	0	0
Coastal & Valley Freshwater Marsh	27	27	0	0
Southern Arroyo Willow Riparian Forest	4	4	0	0
Sonoran Cottonwood-Willow Riparian Forest	65	65	0	0
Southern Sycamore-Alder Riparian Woodland	27	27	0	0
Arrowweed Scrub	14	14	0	0
Desert Fan Palm Oasis Woodland	79	79	0	0
Mesquite Bosque	36	36	0	0
Desert Dry Wash Woodland	8,714	8,716	2	18

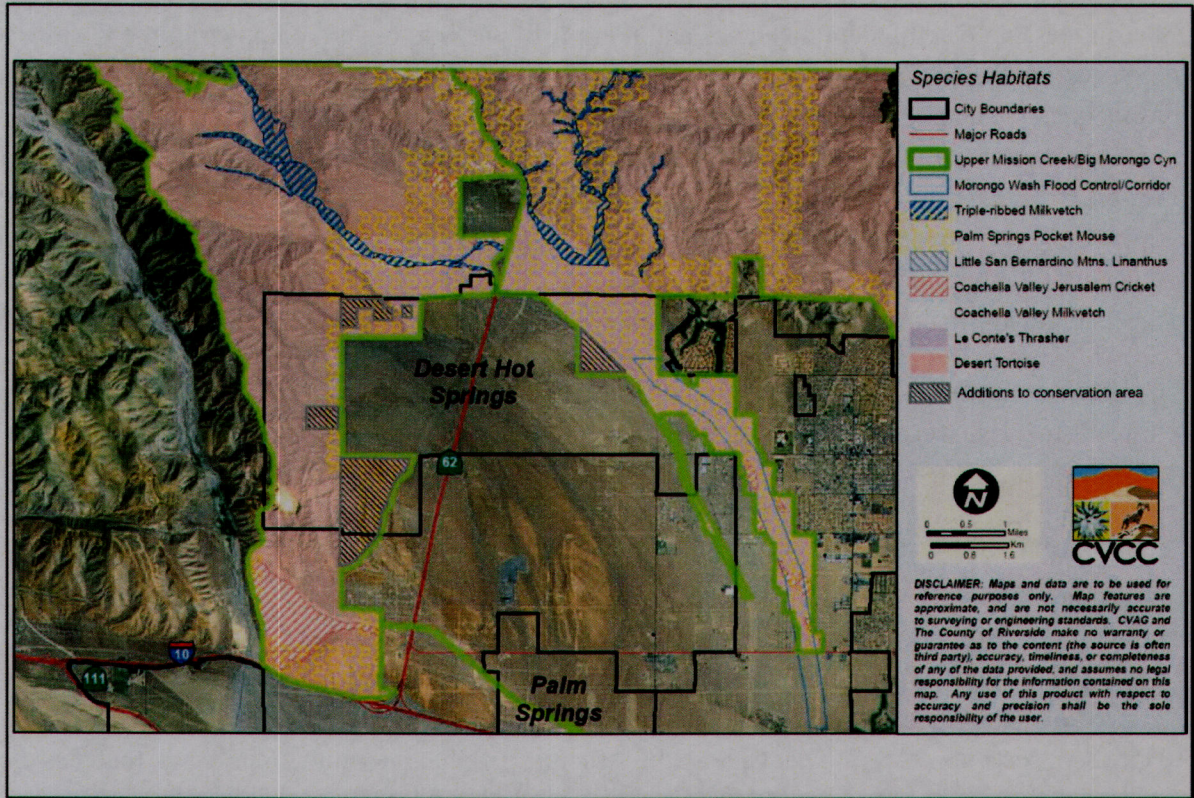
Table 4.1-2				
Comparison of Impact to Natural Communities in 2008 Permit and Major Amendment				
Natural Community	Total Acres Subject to Impact (2008 Permit)	Total Acres Subject to Impact (Major Amendment)	Additional Disturbance (acres)	Additional Conservation (acres)
Mojavean Pinyon-Juniper Woodland	134	134	0	0
Peninsular Juniper Woodland And Scrub	1,108	1,108	0	0
Subtotal	121,067	121,110	34	638
Agriculture – Conversion to Development Of Up To This Amount or Wind Energy	84,900	84,900	0	57
Total	205,967	206,010	34	693

The establishment and management of Conservation Areas, including additional conserved lands within the City, would help further reduce Habitat fragmentation, promote maintenance of Essential Ecological Processes including sand transport that supports sensitive Habitat, and enhance connectivity along corridors and linkages by limiting development in this area. Consequently, implementation of the proposed Major Amendment will not result in significant impacts to any sensitive species. Figure 4-1 shows Natural Communities in the Conservation Area with the proposed additions. As shown, the additional areas to be conserved consist of Sonoran creosote bush scrub and Sonoran mixed woody and succulent scrub. Figure 4-2 shows Covered Species in the Conservation Area with the proposed additions. As shown, two Covered Species occur in the additional areas to be conserved, the Palm Springs pocket mouse and desert tortoise. The limited impact identified in Tables 4.1-1 and 4.1-2 will be offset by additional conservation of 770 acres; with a maximum of 10% development allowed in Conservation Areas, 693 of these acres will be permanently conserved. It should also be noted that significant acquisition along Morongo Wash in the Upper Mission Creek/Big Morongo Canyon Conservation Area has occurred since the Permits were issued by the Coachella Valley Conservation Commission and other conservation partners.

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Coachella Valley Multiple Species Habitat Conservation Plan Major Amendment **FIGURE 4-1**
 Natural Communities



Coachella Valley Multiple Species Habitat Conservation Plan Major Amendment
Species Habitat **FIGURE 4-2**

The existing CVMSHCP provides Take Authorization for Covered Activities as long as such activities comply with required Avoidance, Minimization, and Mitigation Measures as specified in Section 4.4 and Land Use Adjacency Guidelines as specified in Section 4.5 of the Plan, and Obligations of Permittees as described in Section 6.6 of the Plan. Details of the general requirements for all Local Permittees are described in Section 2.1 of this SEIR/SEIS and specific obligations that MSWD has committed to are discussed below. The required measures are designed and implemented as part of the Plan to assure future development within and adjacent to established Conservation Areas would result in less than significant impacts to Covered Species, Habitats, natural communities, and Essential Ecological Processes. The development and operation of any Covered Activities proposed by the City and MSWD within the Major Amendment areas will be required to comply with the applicable measures in the Plan designed to mitigate potential effects on the Covered Species.

The CVMSHCP has made significant steps in Plan implementation. Since the 2008 Permits were issued, the Coachella Valley Conservation Commission (CVCC) has focused acquisition efforts

in several key areas, including the Upper Mission Creek/Big Morongo Canyon and Willow Hole Conservation Areas. As of the baseline year of 1996, 80,138 acres have been acquired by Permittees, state and federal agencies and non-profit partners toward completing the CVMSHCP Reserve System. CVCC and the local Permittees have protected 6,488 of these acres. Reserve Management Plans have been completed and adopted by the CVCC. These management plans provide guidance and priorities for adaptive management of the reserve lands. The Monitoring Program initiated by CVAG before the CVMSHCP was approved is ongoing, with a focus on threats and stressors to the Covered Species and natural communities. The Reserve Management Oversight Committee, which brings together local, state and federal land management agencies, meets regularly to coordinate monitoring and management of the CVMSHCP Reserve System.

Covered Activities for MSWD would not include groundwater extraction and therefore, no direct impacts to sensitive species or associated Habitats related to such activity would occur as a result of the Major Amendment. However, because MSWD will be added as a Permittee and in light of comments received during the NOP review period (Letter from Worden-Williams, *Appendix A*), MSWD has committed to a number of obligations in addition to the current Monitoring Program outlined in Section 8.4.1 of the Plan as it pertains to the relationship between groundwater extraction and the continued viability of mesquite hummocks as a conserved natural community. These mesquite hummocks often occur along fault zones where groundwater is forced to the surface, such as the mesquite hummocks along the Banning Fault in the Willow Hole Conservation Area. The vegetation structure of the mesquite traps sand that has been transported by wind from sand deposited or exposed by flood events in Mission Creek and Morongo Wash floodplains on the south side of the Banning Fault (Lancaster et al. 1993), forming dunes and hummocks along the fault line. The mesquite associated with sand dunes enhances conditions that provide Habitat for these Covered Species. Mesquite hummocks provide core Habitat for Covered Species including Coachella Valley fringe-toed lizard, Palm Springs pocket mouse and Coachella Valley round-tailed ground squirrel. These substantial sand accumulations in the Willow Hole area extend up to 0.5 km (0.3 mi) wide and 5 km (3 mi) long along the trace of the Banning Fault (Lancaster et al. 1993, The Nature Conservancy 1985, Meek and Wasklewicz 1993, Simons, Li, and Assoc. 1997). Potential threats to the mesquite hummocks natural community in this area include competition for sub-surface water from non-native tamarisk and the drawdown of the water table within the Mission Creek Subbasin.

The health of the mesquite hummocks in this area varies considerably. Some of the mesquite plants have many leafless branches and appear decadent, while other plants have many leafy branches and appear to be healthy. Along the western extent of mesquite hummocks (between Mission Creek and Morongo Wash), mesquite plants appear to be dying, which may be related to lowered groundwater levels in the subbasin (MSWD 2008). The hummocks farther to the east, (near Palm Drive and the Main Site Area) show substantially greater density of leafed-out mesquite plants (MSWD 2008). These hummocks near Palm Drive are closer to groundwater levels (MSWD 2008). The hydrological regime, including availability of groundwater that

supports the mesquite hummocks in this area is complex and not well understood. MSWD's 2010 Urban Water Management Plan (MSWD 2011) indicates that a decline in water levels of approximately 100 feet has occurred in portions of the Mission Creek subbasin between the years 1936 and 2003 as a result of groundwater production by MSWD and Coachella Valley Water District (CVWD). At the request of MSWD, recharge facilities were constructed jointly by CVWD and Desert Water Agency (DWA). Recharge activities began in December 2002 to address the continuing overdraft conditions in the Mission Creek subbasin. This replenishment program has increased water levels and indications are that the water level is expected to stabilize or reverse the decline (MSWD 2011). As part of a Water Management Plan currently being prepared by MSWD, CVWD, DWA, and at the request of MSWD, models are being developed which include expected natural inflow and recharge and artificial recharge at the existing Mission Creek recharge ponds, as well as existing and anticipated future groundwater withdrawals. This Water Management Plan is focused on stabilizing the water levels in the Mission Creek subbasin.

As discussed in Section 8.4.1 of the Plan, the Monitoring and Adaptive Management Program will include the use of appropriate methods and technologies (which may change over time) to monitor groundwater levels in the Willow Hole, East Indio Hills, and Thousand Palms Conservation Areas where a substantial lowering of the water table could have a significant adverse impact on mesquite hummocks and associated Covered Species. Should monitoring detect a substantial lowering of the water table or a decline in mesquite health, the following actions will be taken by the CVCC: 1) evaluate the results of the monitoring, including in relation to proposed Covered Activities, 2) prepare a damage assessment report, 3) develop effective measures to ameliorate the direct and indirect effects of substantial lowering of the water table on mesquite hummocks and associated Covered Species, and 4) implement effective measures through Adaptive Management. Furthermore, if Permittees propose Covered Activities within the Willow Hole Conservation Area, the impacts to the mesquite natural community shall be addressed during the Joint Project Review process. MSWD as a Permittee, will limit the installation of new wells within the fault zone associated with mesquite hummock natural communities, in the area east of Little Morongo Road and south of 18th Avenue, until the development and implementation of a mesquite restoration plan (described in Section 4.1, page 4.1-15) is completed.

In addition to the required Avoidance, Minimization, Mitigation Measures and Land Use Adjacency Guidelines, Section 6.6.1 of the Plan specifies certain other obligations of all Local Permittees for lands within and outside Conservation Areas. MSWD has also agreed to implement measures that will be added to Section 6.6.1 of the Plan should this Major Amendment be adopted. They include conservation measures for the approximately 61 acres they own in the Conservation Areas and other measures for activities outside Conservation Areas (see Section 2.1). Additional MSWD obligations include the following:

1. A contribution of \$110,000 toward the Endowment Fund for the Monitoring Program, the Management Program, and Adaptive Management. This contribution will provide for the permanent monitoring and management of the MSWD lands in the Conservation Areas in perpetuity as required by the CVMSHCP, including removal of invasive species and monitoring of mesquite hummocks. CVCC would also assume responsibility for the monitoring and management of those lands transferred by MSWD in perpetuity as a result of MSWD's contribution to the Endowment Fund. Prior to transfer of lands to CVCC, MSWD will cooperate with CVCC to enhance and manage the mesquite hummocks on land it owns in the Conservation Areas to mitigate and provide for the Conservation of impacts to this natural community from MSWD's operation and management activities in the CVMSHCP Conservation Areas. The MSWD contribution to the CVCC Endowment Fund will also support management and monitoring of mesquite hummocks on other CVCC lands additional to those transferred to CVCC by MSWD.

2. With regard to the CVMSHCP requirements to maintain the mesquite hummock natural community, MSWD agrees to provide as available: 1) data on water levels in the Willow Hole Conservation Area, the "fault dunes" and associated mesquite hummocks east and west of Palm Drive; 2) water samples for a study of stable isotopes in mesquite tissue for use by the CVCC Monitoring Program team; 3) historical photographs or aerial imagery of the mesquite hummock areas in the Willow Hole Conservation Area that would help document changes from current conditions; 4) technical expertise of MSWD staff, or consultants as appropriate, in coordination with the CVCC Monitoring Team. MSWD is willing to provide any and all relevant data they have available to CVCC; however, MSWD does not have facilities that will provide needed data near the mesquite hummocks habitat. Additional facilities will be required to collect data on groundwater levels near the hummocks habitat. The District will also provide funds to be used for water monitoring wells or other means of gathering data on groundwater levels related to mesquite hummocks. The determination of how to best accomplish this monitoring, including placement of wells will be made in coordination with the CVCC staff, CVCC monitoring team, Wildlife Agencies, relevant Reserve Management committees, other relevant Permittees, and MSWD staff. These data and support from MSWD will enhance understanding of the hydrological regimes that support mesquite hummocks in the CVMSHCP area and provide baseline data for the ongoing monitoring of mesquite hummocks. The District will provide funds to support monitoring and analysis of groundwater levels in the amount of \$120,000.

3. To improve the water available to mesquite hummocks, MSWD will provide funds to CVCC to be used for the removal of non-native tamarisk from the Willow Hole Conservation Area in the amount of \$100,000 to cover the costs of tamarisk removal

from approximately 30 acres of conservation lands. CVCC will ensure that removal of tamarisk occurs on lands controlled by CVCC or other public or private conservation lands.

4. MSWD will contribute \$20,000 to the cost of a study being conducted by CVCC of the feasibility of mesquite restoration and development of a mesquite restoration plan. CVCC has initiated this study with creation of a constraints analysis detailing site conditions where current stands of mesquite are now absent (but were extant within the past century), declining, or are currently doing well (defined by leaf area, fruit production, and other relevant variables). MSWD will contribute to the mesquite study plan that will detail the location, water requirements, and monitoring and management responsibilities, including funding, for this mesquite restoration effort. CVCC will provide the final study to the Wildlife Agencies for review and approval.

5. CVCC is responsible for evaluating the relationship between mesquite hummocks and groundwater through the Monitoring Program. MSWD will contribute to and participate in this research for the mesquite hummock areas within their district boundary. The objectives of this research will include: (1) to monitor the plant characteristics and hydrologic conditions of mesquite hummocks in the Coachella Valley; (2) to determine the source(s) of water utilized by the mesquite; and (3) to relate vegetation health and reproduction to varying hydrologic conditions in the Coachella Valley. The study will involve compiling existing vegetation and hydrologic data as GIS layers, coordination with MSWD on ground-water level data they collect from existing wells, and monitoring plant characteristics and hydrologic conditions at the sites including Willow Hole. The water-level trends from these sites can be compared to precipitation and pumping trends to help determine the natural and/or human-induced impacts on the groundwater system. The GIS will be updated on an annual basis with the data collected by other agencies during this study. These data will be used in conjunction with the hydrologic data to determine if there is a correlation between the health of the mesquite and the hydrologic properties at the site (depth to water and soil moisture). Persistence of the mesquite trees will be monitored to determine if there is a relationship between water-table depth, soil moisture, and reproduction.

6. If the study undertaken by the CVCC demonstrates the decline of mesquite hummock areas in the Willow Hole Conservation Area, MSWD will work with CVCC, the Wildlife Agencies, and other relevant Permittees to identify and implement a plan to enhance, restore, and maintain the mesquite hummocks natural community and to address changed circumstances, identified in the CVMSHCP, that affect this natural community as a part of their CVMSHCP implementation activities. As is required of all Permittees, MSWD commits to participate in additional measures that will result from the CVMSHCP

Adaptive Management Plan analysis to the extent that measures are consistent with what is required of other Permittees. ~~reasonable, feasible, and within the resources of the District~~. Further, MSWD confirms that the goals of the 2013 Water Management Plan prepared in cooperation with CVWD and Desert Water Agency are consistent with the objectives of the CVMSHCP to manage the groundwater resource in perpetuity for the benefit of mesquite hummocks and the species that depend on this natural community.

MSWD will contribute a total of \$350,000 toward the CVMSHCP as described above to support the Monitoring Program, the Management Program, and Adaptive Management. This may be paid in full the first full fiscal year after approval of the Major Amendment, or it may be paid in installments over a maximum of five years, beginning in the first full fiscal year after approval of the Major Amendment. Interest shall be paid by MSWD at the annual rate of 5.14% on the outstanding balance.

The measures identified as responsibilities of MSWD in Section 6.6.1 of the Plan, along with those requirements already adopted in the Plan as Monitoring and Adaptive Management procedures, will ensure the ongoing health of mesquite hummocks in the affected Conservation Areas of the Mission Creek Subbasin.

Riparian Habitat

As discussed above, the addition of approximately 770 acres to the Upper Mission Creek/Big Morongo Canyon Conservation Area would result in an overall beneficial effect to natural communities within the Plan area. As shown on Figure 4-1, the areas to be added to the Conservation Area consist of Sonoran Creosote bush scrub and Sonoran mixed woody and succulent scrub. There are no riparian communities currently located within either the existing or the additional lands in the Conservation Areas to be addressed under the Major Amendment; therefore, no impacts would occur as a result of the Major Amendment. However, a CDFW Streambed Alteration Agreement under Section 1602 of the California Fish & Game Code may be required in certain areas in addition to federal permitting discussed below.

Federally Protected Wetlands

There are no wetlands, defined by Section 404 of the Clean Water Act or other sensitive natural communities such as wetlands, marshes, or vernal pools within the existing or the additional areas to be addressed under the Major Amendment. Therefore, no impacts to federally protected wetlands would occur. However, a Section 404 permit by the U.S. Army Corps of Engineers (ACOE) would be required for any Covered Activities that would result in the dredge or fill of waters of the U.S.

Wildlife Movement

The additional areas to be included within the Upper Mission Creek/Big Morongo Canyon Conservation Area would result in a beneficial effect to the movement of wildlife species by expanding the limits of the established Conservation Area. The establishment of Conservation Areas within the City would reduce the potential for urban development in the affected area, and would preserve it as open-space and natural desert areas, allowing the continued use by wildlife species. Therefore, no significant adverse impacts to wildlife movement would occur as a result of implementing the Major Amendment.

Local Policies

There are currently no local policies protecting biological resources within the areas to be included in the Conservation Area. However, due to two recent annexations of approximately 4,000 acres of County lands into the City (together known as the Desert Hot Springs I-10 Annexation) all provisions of the approved CVMSHCP were adopted by the City for that area. The Major Amendment would provide for adoption of CVMSHCP policies throughout the remaining parts of the City not currently covered by the Plan, resulting in a more cohesive biological planning policy throughout the City.

Adopted Habitat Conservation Plan

The proposed Major Amendment will result in the City being included as a Permittee to the MSHCP that will allow for expansion and continuity of the established Conservation Areas. Conservation Areas within the MSWD service area outside Desert Hot Springs City limits will remain unchanged. As indicated in preceding discussions, adding the City and MSWD as Permittees of the Plan, and establishing Conservation Areas within the City, would result in an overall beneficial effect to the Covered Species and natural communities currently protected by the Plan.

Climate Change

The Intergovernmental Panel on Climate Change has concluded that in the past two decades climate research has unequivocally shown that large-scale worldwide changes in climate, enhanced by anthropogenic greenhouse gas, have occurred and will continue to occur for decades (IPCC 2007). The changing climate has the potential to affect wildlife throughout North America, either directly or indirectly through responses to changing habitat conditions (Inkley et. al. 2004).

Climate change assessments encompassing the CVMSHCP Plan Area suggest that since the 1970s, the region appears to have experienced widespread warming trends in winter and spring, increased minimum winter temperatures, and more variable precipitation (Weiss and Overpeck

2005). An ecoregional climate change analysis conducted by PRBO had similar conclusions for the Sonoran (Colorado) desert region of California (PRBO 2011). These assessments align with the general overall climate change predictions for California (Moser et. al. 2012) and the Southwest in general (Dominguez et. al. 2010), that is, a significant rise in temperatures and a shift toward dryer conditions. The effects these predicted climate changes will have on wildlife populations and range distributions of wildlife are expected to be species specific and highly variable, with some effects considered negative and others considered positive (Inkley et. al. 2004).

Because specific effects of climate change on CVMSHCP Covered Species and Natural Communities are speculative and could change over time, both the State of California (California Natural Resources Agency 2009) and the USFWS (2012) emphasize flexible, adaptive strategies for coping with climate change. Hulme (2005) states that adaptation strategies should focus on increasing the flexibility of managing vulnerable ecosystems and increasing the adaptability of vulnerable ecosystems and species. Management also needs to address interacting species and ecosystems. Additionally, large reserves, especially those spanning broad elevational gradients, are critical to encompass a broad range of present and future climates (Ackerly 2012). Halpin (1997) recommended the following management prescriptions to address climate changes:

1. Selection of redundant reserves and selection of reserves that protect habitat diversity
2. Management for buffer zone flexibility
3. Management for landscape connectivity
4. Management for habitat maintenance

The CVMSHCP incorporates all four elements identified by Halpin (1997) to address climate change; builds a large, interconnected reserve system that spans temperature and elevational gradients; incorporates adaptation strategies to increasing the flexibility of Reserve managers; provides adaptive monitoring to address interacting species and ecosystems.

The external boundaries of the Plan Area encompass approximately 1.1 million acres and the Plan preserves the majority of land from the toe of slope to the ridgeline of mountains surrounding the Coachella Valley and, as such, includes a redundant reserve system that protects habitat diversity in the Coachella Valley. Additionally, the Plan includes adjacency guidelines to manage for buffer zone effects; conservation goals to maintain biological corridors and linkages; and an adaptive management and monitoring strategy to ensure Covered Species and Natural Communities persist in the Plan Area.

The CV MSHCP provides for the long-term conservation of ecological diversity by creating a 210,000 acre integrated Reserve system that maintains physical linkages over a range of existing temperature-moisture regimes and elevations. This climate envelope approach includes the current range of climatic and environmental conditions occupied by each Covered Species and Natural Community. For example, the Coachella Valley fringe-toed lizard has a Core Habitat at

Windy Point Conservation Area (elevation 1000 feet); another site 5 miles east at Whitewater Floodplain Conservation Area (elevation 600 feet); a third site another 3 1/2 miles east-northeast at Willow Hole Conservation Area (elevation 750 feet); and the fourth site another 9 miles from Willow Hole at the Thousand Palms Conservation Area (elevation 200 feet). These sites are spread out over a distance of over 18 miles, and each has a distinct assemblage of sand sources. There is also a descending gradient in annual precipitation at points increasingly distant (farther east) from the San Gorgonio Pass. By including geographically distinct sites, the multiple sites criterion will include the range of conditions a given species inhabits today. As the climate changes in the future, there is a possibility that the habitat at one or more sites will become unsuitable for a target species. But preserving multiple sites will increase the likelihood that some refugia for each of the Covered Species will be maintained if climatic conditions change over time, which may provide Covered Species and Natural Community resiliency to even the most extreme predicted effects of climate change (Barrows et. al. 2010).

The Plan uses adaptive management and monitoring to ensure Covered Species and Natural Community persistence and support a landscape-scale, ecosystem-based management strategy. The Plan incorporates flexibility into management of vulnerable ecosystems by coordinating the necessary management to achieve the conservation goals and objectives through Resource Management Unit Plans (RMUP). RMUP's are intended to provide a framework for and to facilitate the collaborative management by all the involved management entities (local, state and federal agencies and non-profit organizations) to provide for effective, efficient, and cooperative use of the combined resources available. The premise of the RMUP is that maximizing cooperation and coordination will result in enhanced, flexible management of all Reserve lands and facilitate management actions. Additionally, RMUP's include components for monitoring and managing natural communities; ecological processes; and biological corridors and linkages to address interacting species and ecosystems.

To summarize, the Coachella Valley MSHCP will help to ameliorate anticipate changes in climate by creating large, interconnected blocks of habitat that encompass varying degrees of temperature and precipitation gradients that will be adaptively managed and monitored cooperatively over the life of the Plan (Noss 2001). The Major Amendment enhances the Plan's ability to ensure Covered Species and Natural Communities persist in the face of accelerated climate change because it will expand an existing conservation area and improve the coordination of management and monitoring by adding Desert Hot Springs and Mission Springs Water District as permittees with responsibilities and obligations to ensure the Plan's conservation goals are achieved.

Public Lands Alternative

As indicated in the approved Recirculated EIR/EIS, this Alternative would not include a broad acquisition plan as part of the Plan requirements. Management of the existing reserves would be

increased, so that Covered Species within these reserves would receive greater protection. Overall conservation lands would decrease under this Alternative and would thus result in a greater impact to Covered Species and natural communities. No feasible mitigation measures were identified. The proposed Major Amendment would not result in any changes to that conclusion.

Core Habitat with Ecological Processes Alternative

As indicated in the approved Recirculated EIR/EIS, this Alternative would result in less conservation than the Preferred Alternative, and thus would have greater impact on Covered Species and natural communities. It is not known what species the Wildlife Agencies would determine meet the criteria for issuance of Take Authorization under this Alternative. No feasible mitigation measures were identified. The proposed Major Amendment would not result in any changes to that conclusion.

Enhanced Conservation Alternative

As indicated in the approved Recirculated EIR/EIS, this Alternative would result in the acquisition and management of more land than the Preferred Alternative. All other provisions of the Preferred Alternative would apply. Therefore, impacts from this Alternative would be less than significant for CEQA/NEPA analysis purposes. The proposed Major Amendment would not result in any changes to that conclusion.

No Action/No Project Alternative

The USFWS No Action Alternative is no amendment of the CVMSHCP and permit. Under the approved EIR/EIS, it was determined this alternative may result in significant adverse impacts to biological resources for CEQA/NEPA analysis purposes due to the lack of protection for both Covered and non-Covered Species. Since there is now an approved Plan in place, the No Project Alternative for the proposed Major Amendment would mean that both the City and MSWD would not become Permittees of the Plan. Similar to the conclusion in the approved EIR/EIS, the No Project Alternative under this scenario would mean that some areas of the City and the MSWD boundaries would not receive full protection for Covered and non-Covered Species as provided by the Plan. Therefore, significant adverse impacts to biological resources could occur under the No Action/No Project Alternative. Impacts to Covered Species and natural communities under the No Action Alternative are discussed in Section 4.1.4. No Action impacts to Covered Species are quantified in Table 4.1-1 under the column titled "Extent of Take Authorized (2008 Permit)"; under No Action, impacts quantified under the columns "Additional Take (acres)" and "Additional Conservation (acres)" would not occur. No Action impacts to natural communities are quantified in Table 4.1-2 under the column titled "Total Acres Subject

to Impact (2008 Permit)”; under No Action, impacts quantified under the columns “Additional Disturbance (acres)” and “Additional Conservation (acres)” would not occur.

4.1.5 Biological Resources Mitigation Measures

Proposed Action/Preferred Alternative

The proposed Major Amendment would not result in a significant impact to biological resources within the Plan Area. The addition of the City and MSWD as Permittees of the Plan provides a more comprehensive and cohesive Plan that would provide benefits for the Covered Species and natural communities protected in the Plan Area. The Plan also incorporates required Avoidance, Minimization and Mitigation Measures; Land Use Adjacency guidelines; and a comprehensive Monitoring and Management Program designed to mitigate potential adverse effects to the greatest extent practicable. Because the Plan has been designed to adequately conserve the Covered Species and natural communities, and has already incorporated all feasible measures to mitigate Plan impacts as part of the design of the Plan, no additional mitigation measures are either necessary or feasible for CEQA/NEPA analysis purposes.

Public Lands Alternative

Overall conservation lands would decrease under this alternative and would thus result in a greater impact to Covered Species and natural communities. No feasible mitigation measures were identified in the approved EIR/EIS. The proposed Major Amendment would not result in any changes to that conclusion.

Core Habitat with Ecological Processes Alternative

This Alternative would result in less conservation than the Preferred Alternative, and thus would have greater impact on Covered Species and natural communities. No feasible mitigation measures were identified in the approved EIR/EIS. The proposed Major Amendment would not result in any changes to that conclusion.

Enhanced Conservation Alternative

This Alternative would result in the acquisition and management of more land than the Preferred Alternative. All other provisions of the Preferred Alternative would apply. Therefore, impacts from this Alternative would be less than significant and no mitigation measures were required in the approved EIR/EIS. The proposed Major Amendment would not result in any changes to that conclusion.

No Action/No Project Alternative

Similar to the conclusion in the approved EIR/EIS, the No Project Alternative under this scenario would mean that some areas of the City and the MSWD boundaries would not receive full protection for Covered and non-Covered Species as provided by the Plan. Therefore, significant adverse impacts to biological resources could occur under the No Action/No Project Alternative. No feasible mitigation measures have been identified should the proposed Major Amendment not be approved.

4.1.6 Levels of Significance after Mitigation

Proposed Action/Preferred Alternative

The proposed Major Amendment is to include the City of Desert Hot Springs and MSWD as Permittees to the CVMSHCP, allowing for continuity of the previously established Conservation Areas. Conservation Areas within MSWD boundaries outside City limits will remain unchanged as no additional lands would be added or disturbed. Adding the City and MSWD as Permittees of the Plan and adding land to the Upper Mission Creek/Big Morongo Canyon Conservation Area would result in an overall benefit to the Covered Species and natural communities. Since approval of the Project would result in a beneficial impact to biological resources, no mitigation measures are required.

Public Lands Alternative

Conservation lands would decrease under this alternative and would thus result in a greater impact to Covered Species and natural communities. However, no feasible mitigation measures were identified in the approved EIR/EIS. The Major Amendment would not result in any changes to that conclusion and no mitigation measures are required.

Core Habitat with Ecological Processes Alternative

This Alternative would result in less conservation than the Preferred Alternative, and thus would have greater impacts on Covered Species and natural communities. No Feasible mitigation measures were identified in the approved EIR/EIS. The Major Amendment would not result in any changes to that conclusion and impacts of this alternative would remain significant.

Enhanced Conservation Alternative

This Alternative would result in the acquisition and management of more land than the Preferred Alternative. All other provisions of the Preferred Alternative would apply. Therefore, impacts

from this Alternative would be less than significant and no mitigation measures were required in the approved EIR/EIS. The Major Amendment would not result in any changes to that conclusion and no mitigation measures are required.

No Action/No Project Alternative

The No Project Alternative under this scenario would mean that some areas of the City and the MSWD boundaries would not receive full protection for Covered and non-Covered Species as provided by the Plan. Therefore, significant adverse impacts to biological resources could occur under the No Action/No Project Alternative. Since no feasible mitigation measures have been identified should the preferred project not be approved, the impact of this Alternative remains significant.

4.2 LAND USE AND PLANNING

4.2.1 Introduction and Methodology

The following section will focus on those land use changes that would occur due to implementation of the proposed Major Amendment to add the City of Desert Hot Springs and Mission Springs Water District (MSWD) to the currently permitted CVMSHCP. The analysis supplements the Land Use section in the approved September 2007 Recirculated EIR/EIS.

4.2.2 Existing and Surrounding Land Use/Affected Environment

Existing Land Use

City of Desert Hot Springs

The City of Desert Hot Springs is located in the northwestern portion of the Coachella Valley in Riverside County. The City is generally bounded by the San Bernardino Mountains west of Highway 62, the Little San Bernardino Mountains to the north, Long Canyon Road on the east and Interstate 10 on the south (refer to Figure 1-2). The incorporated City limits, which are subject to analysis in this SEIR/SEIS, encompass approximately 23 square miles that will be integrated into the existing CVMSHCP.

As discussed in Section 3.1, the City of Desert Hot Springs has recently (September 12, 2010) annexed approximately 4,000 acres of unincorporated territory previously under the jurisdiction of the County of Riverside into the City's municipal service boundaries. This involved two separate annexations (Annexation 36 and Annexation 37) together known as the I-10 Community Annexation, which was processed and approved by the Riverside County Local Agency Formation Commission (LAFCO). This annexation increased the size of the City from approximately 23 square miles to approximately 29.3 square miles. However, the approximate 6.3 square mile I-10 Community Annexation area is not included in the land use analysis or other environmental analysis sections of this document (except the Fiscal Impact Analysis discussed in Section 4.3 that included data on the land use designations applicable to these lands, and whether the land was vacant or developed). This is because portions of the I-10 Community Annexation area that were previously in a Conservation Area under the County have been annexed by the City and no changes to the Plan will occur in that area. Therefore, the LAFCO action essentially served to transfer existing conservation lands from the County to the City and no new Conservation Area or addition to the overall Plan Area were created as a result of the annexation. The City of Desert Hot Springs did become a CVMSHCP Permittee for the annexed lands only.

Additionally, County of Riverside General Plan policies have been retained, so the pre-annexation rules governing land uses, circulation, open space, etc. did not change. Since the County's current zoning district standards for this area were not in conformance with the County's land use designations, the City has re-zoned this land with its own zoning district standards that correspond most directly with the County's land use policies for this area.

Existing land uses within the City consists primarily of a mix of low, medium, and high density residential development with retail and hotel commercial development located mostly in the eastern portion of the City. The majority of land area within the City remains undeveloped with scattered residential and some industrial development, including wind energy, in the western portion of the City. The remainder of developed land includes public and quasi-public uses such as schools, police and fire departments, and parks.

Mission Springs Water District

Mission Springs Water District provides water and sewer service to an area of approximately 135 square miles and a population of approximately 30,000. It is located in the northwestern portion of the Coachella Valley and encompasses the entire incorporated city limits of Desert Hot Springs, unincorporated areas of Riverside County, and a small area of the northern portion of Palm Springs. The northern boundary extends to the Riverside/San Bernardino County line; the western boundary is located generally east of the limits of the Morongo Indian Reservation and the community of Cabazon; the southern boundary extends to Highway 111 and Interstate 10 and the Coachella Valley Water District (CVWD) boundaries; and the eastern boundaries are flanked by the Coachella Valley cities of Palm Springs and Cathedral City (refer to Figure 1-2).

Surrounding Land Use

Land uses surrounding the City of Desert Hot Springs and MSWD boundaries include the San Bernardino and Little San Bernardino Mountains to the west and north, respectively; the Whitewater River and unincorporated County lands to the west; and unincorporated County lands to the south which includes several residential communities. The northern portion of the City of Palm Springs is within the southerly portion of the MSWD service area with the more populated area of Palm Springs located approximately two miles to the south. Land use changes resulting from the Major Amendment are discussed in Section 4.2.4.

Revised Conservation Area Boundaries

The Upper Mission Creek/Big Morongo Canyon Conservation Area comprises approximately 29,440 acres in its current configuration as adopted in the Final CVMSHCP permitted in October 2008. Approval of the Major Amendment would add an additional 770 acres into the

Conservation Area, mostly in the western portion of the City and another area in the Central part of the City to the west of Indian Avenue and Mission Creek (refer to Figure 1-2).

Applicable Plans, Policies and Regulations

Riverside County General Plan: The County General Plan includes four Area Plans, which encompass major portions of the CVMSHCP Area. The CVMSHCP area proposed for revision is located in the Western Coachella Valley Plan, which extends from the eastern portion of the San Gorgonio Pass to Indio and La Quinta. The County General Plan applies to the area of the MSWD boundaries that are outside of the Cities of Desert Hot Springs and Palm Springs. No County land use designations or Conservation Areas within the County will be altered as a result of the proposed Major Amendment.

Desert Hot Springs General Plan: The City is currently in the process of updating its General Plan that last underwent a comprehensive update in September 2000. The existing General Plan designations include a mix of low, medium, and high density residential uses, with 40 percent of total acreage dedicated to Residential-Low density housing which allows 0-5 dwellings per acre. The majority of land use is dedicated to residential uses with nearly 60 percent of the total acreage in the Planning Area. Other designations include various commercial uses (approximately 3 percent of total land area); industrial (approximately 12 percent of total land area); and public/institutional (approximately 23 percent of total land area).

4.2.3 Thresholds of Significance/Criteria for Determining Significance

The following thresholds are taken from the certified EIR/EIS dated September 2007 and reflect both NEPA and CEQA thresholds agreed to by all the Parties for analysis of Land Use impacts. Because CEQA has more stringent and detailed thresholds related to biological resources, over those for NEPA, the following thresholds will be used. The revised CVMSHCP would have a significant effect on land use and planning if it would:

- a. *Physically divide an established community.*
- b. *Conflict with any applicable land use plan, policy, or regulation of an agency with jurisdiction over the project (including, but not limited to the general plan, specific plan, local coastal program, or zoning ordinance) adopted for the purpose of avoiding or mitigating an environmental effect.*
- c. *Conflict with any applicable habitat conservation plan or natural community conservation plan.*

4.2.4 Land-Use-Related Project Impacts

Proposed Action/Preferred Alternative

Community Separation

As indicated in the Initial Study/NOP (Appendix A), the revised CVMSHCP would not result in the physical separation of a community. In the western portion of Desert Hot Springs, that portion of the Upper Mission Creek/Big Morongo Canyon Conservation Area proposed to be included in the CVMSHCP is located well away from the main developed portion of the City. Although that part of the Conservation Area that would be sited in the central section of the City is located adjacent to the urbanized portion of Desert Hot Springs, the drainages within this area already serve as a natural separation between the eastern and western parts of the City. Desert Hot Springs has identified the potential for future open space trails along the Mission Creek or Morongo Wash drainages. Furthermore, if the City were to remain a non-participant in the Plan, this part of the Conservation Area would continue to be designated a Special Provisions Area to ensure conservation of these lands and support future development of County Flood Control's planned Morongo Wash flood control facility. MSWD has also opted to become a Permittee of the Plan; however, no Conservation Area boundaries will change as a result. Therefore, the proposed revisions to the Plan will not result in physically dividing an established community.

Applicable Plans, Policies and Regulations

The proposed Plan Amendment does conflict with some of the land uses established in the existing City General Plan. However, when the City opted out of becoming a Permittee of the Plan, an agreement was made with CVAG to establish most of the previously proposed Conservation Area adjacent to the Morongo Wash floodplain area as a Special Provisions Area, which allows for the purchase and preservation of that area.

The General Plan is currently being updated and when complete will have land use designations that are compatible with the proposed Conservation Areas within the City limits and Sphere of Influence.

Adopted Habitat Conservation Plan

The proposed Major Amendment will result in the City being included as a Permittee to the CVMSHCP that will allow for continuity of the previously established Conservation Areas. Conservation Areas within MSWD boundaries outside City limits will remain unchanged.

The revised Plan will not conflict with any plans adopted for the purpose of avoiding or

mitigating an environmental effect. The proposed Major Amendment would serve to strengthen the existing CVMSHCP by including the City of Desert Hot Springs and MSWD as Permittees of the Plan and thereby broadening the potential to achieve the land use control and conservation objectives of the Plan to protect Covered Species. The proposed Major Amendment will also establish the area within the City currently designated as the Morongo Wash Special Provisions Area as part of the Upper Mission Creek/Big Morongo Canyon Conservation Area, and will facilitate the future development of County Flood Control's planned Morongo Wash Flood Control facility. These actions would serve to broaden and reinforce the Plan's goals and objectives aimed at protecting sensitive resources and facilitating logical development in a sustainable manner, and therefore, would not conflict with the adopted CVMSHCP.

Public Lands Alternative

As indicated in the approved Recirculated EIR/EIS, the Public Lands Alternative would not include a broad acquisition plan as part of the Plan requirements. Management of the existing reserves would be increased, so that Covered Species within these reserves would receive greater protection. The proposed Major Amendment would not result in any changes to that conclusion. As with the Proposed Action/Preferred Alternative, there would be no direct impact on applicable plans because this Alternative does not propose additional conservation of lands. For the same reason, this Alternative would not result in the physical division of an established community. State and federal lands would be managed in a manner consistent with their respective management plans, and thus this Alternative would not conflict with such plans. The proposed Major Amendment would not result in any changes to that conclusion.

Core Habitat with Ecological Processes Alternative

As indicated in the approved Recirculated EIR/EIS, this Alternative would have a lower level of conservation of private lands compared to the Proposed Action/Preferred Alternative, and thus would have even fewer potential conflicts with applicable land use plans. Based upon the coordinated and integrated nature of this Alternative, impacts to federal, state, regional, local, or tribal land use plans, policies, or controls are considered to be less than significant. This Alternative would not physically divide an established community for the reasons described under the Proposed Action/Preferred Alternative. The proposed Major Amendment would not result in any changes to that conclusion.

Enhanced Conservation Alternative

As indicated in the approved Recirculated EIR/EIS, this Alternative would result in a substantial increase in lands in Conservation Areas compared to the other alternatives. The analysis determined this additional conservation could result in significant land use compatibility conflicts and physically divide established communities. The proposed Major Amendment would

not result in any changes to that conclusion.

No Action/No Project Alternative

Under the approved EIR/EIS, it was determined the No Action/No Project Alternative may have a significant long-term adverse impact on land use due to piecemeal habitat conservation that may lead to the fragmentation of human communities and stifle efficient economic development and activities. Since there is now an approved Plan in place, the No Project Alternative for the proposed Major Amendment would mean that both the City and MSWD would not become Permittees of the Plan. Without the Major Amendment, both agencies would have to comply with state and federal regulations for the Covered Species on a case by case basis. Furthermore, this alternative would not have the beneficial effect of strengthening the existing CVMSHCP by broadening the potential to achieve land use control and conservation objectives to protect Covered Species.

4.2.5 Mitigation Measures

Proposed Action/Preferred Alternative

Based on the preceding analysis, it has been determined that no significant adverse impacts related to land use have been identified in association with the implementation of the proposed Major Amendment. Therefore, no mitigation measures are required.

Public Lands Alternative

As indicated in the approved EIR/EIS prepared for the Plan, no significant adverse impacts related to land use issues would result from this Alternative for CEQA analysis purposes. The Major Amendment would not result in any changes to that conclusion and therefore, no mitigation measures would be required.

Core Habitat with Ecological Processes Alternative

As indicated in the approved EIR/EIS prepared for the Plan, no significant adverse impacts related to land use issues would result from this Alternative for CEQA analysis purposes. The Major Amendment would not result in any changes to that conclusion and therefore, no mitigation measures would be required.

Enhanced Conservation Alternative

As indicated in the approved EIR/EIS prepared for the Plan, the analysis determined that additional Conservation Areas could result in significant land use compatibility conflicts and

physically divide established communities. Therefore, a number of mitigation measures were provided on a Conservation Area basis to reduce such incompatibilities. No additional measures are proposed as a result of the Major Amendment since no further conservation is proposed beyond what was analyzed as part of the Proposed Action/Preferred Alternative.

No Action/No Project Alternative

Although the beneficial effect of strengthening the existing CVMSHCP by broadening the potential to achieve land use control and conservation objectives to protect Covered Species would not be realized, no significant adverse impacts were identified and no mitigation is proposed.

4.2.6 Levels of Significance after Mitigation

Proposed Action/Preferred Alternative

No significant adverse impacts on land use would result from this Alternative for CEQA/NEPA analysis purposes and no mitigation is required.

Public Lands Alternative

No significant adverse impacts on land use would result from this Alternative for CEQA/NEPA analysis purposes and no mitigation is required.

Core Habitat with Ecological Processes Alternative

No significant adverse impacts on land use would result from this Alternative for CEQA/NEPA analysis purposes and no mitigation is required.

Enhanced Conservation Alternative

Significant conflicts with local, county, state or federal land use plans, policies or controls would remain, despite additional mitigation measures. The alternative would have the residual effect of physically dividing established communities.

No Action/No Project Alternative

No significant adverse impacts on land use would result from this Alternative for CEQA/NEPA analysis purposes and no mitigation is required.

4.3 SOCIOECONOMIC AND FISCAL EFFECTS

4.3.1 Introduction and Methodology

This section is based on the *Fiscal Impact Analysis* report prepared by Terra Nova Planning & Research, Inc. in July 2011 which is contained in Appendix B of this SEIR/SEIS. Background data on population, housing, and employment is also presented in Section 4.3.2 with potential impacts to population growth and displacement of housing or people presented in Section 4.3.4.

In 2003, a *Fiscal Impact Analysis* (FIA) was prepared to analyze the potential costs and revenues that would be lost by each jurisdiction participating in the Plan. The City of Desert Hot Springs was included in that analysis, but withdrew prior to completion of the CVMSHCP. The City of Desert Hot Springs reversed their decision to withdraw from the Plan through a Memorandum of Understanding (MOU) in October 2007, stating their intent to enter into negotiations for the City to join the CVMSHCP as a Permittee after the Plan was officially adopted by CVAG and local Permittees but prior to approval by all state Permittees and receiving state permits from California Department of Fish and Game and federal permits from US Fish & Wildlife Service. The MOU was subsequently approved by the CVCC, CVAG, and the County of Riverside as of February 2008.

Subsequent to that decision, the Mission Springs Water District (MSWD) has also proposed to become a Permittee of the Plan. Although the primary focus of this SEIR/SEIS is to evaluate amending the Plan to include both jurisdictions as Permittees, the FIA focuses on public costs and revenues that would result if vacant lands identified for conservation by the CVMSHCP were instead allowed to develop in Desert Hot Springs consistent with the current General Plan land use designation. This is because MSWD does not have decision-making authority over land use designations and no Conservation Area boundaries will change within the MSWD service area outside of Desert Hot Springs.

As the proposed Conservation Area lands are currently available for urban development, in a manner consistent with the City's General Plan, development on these lands would be expected to result in both revenues for the City, in the form of increased property tax, sales tax, motor vehicle license fees, special assessments, and other revenues. Development would also generate additional costs associated with the provision of public services and facilities. As implementation of the proposed CVMSHCP would result in the conversion of these lands to conservation, revenues associated with future development would be lost. The conversion of vacant, potentially developable land to open space and conservation uses could have fiscal impacts on the City. The following analysis is provided to determine what the costs and revenues could be if these lands were to develop.

Since the City was included in the original CVMSHCP and associated 2003 FIA, and to maintain consistency, the following analysis is based on updated fiscal information since that time. The Fiscal Impact Model employed is consistent with the original model, but all land use data, cost factors, property values, and other assumptions have been updated to reflect 2011 dollars.

As a result of an annexation undertaken by the City in 2010, which extended its boundaries to the Interstate 10 freeway, lands previously under the jurisdiction of the County of Riverside are now within the City limits. The City agreed, as part of the annexation, to enforce the provisions of the CVMSHCP on those lands within the annexation area that are to be conserved. CVAG provided an analysis of the lands proposed for conservation in the City that included data on the land use designations applicable to these lands, and whether the land was vacant or developed.

The Plan does allow very limited development of conservation lands under certain circumstances. However, to reflect the most conservative analysis, it is assumed that no development, and therefore no revenue, would be generated on any lands in a Conservation Area. Some development already exists in the Conservation Areas proposed in the City. This development is generating revenue and costs, and no change would be expected as a result of the implementation of the Plan, particularly since most of the development consists of energy-related development (wind farms). The existing developed lands are therefore not considered in this analysis, as they would be revenue and cost neutral for the City.

4.3.2 Existing Conditions/Affected Environment

Population/Housing/Employment

According to the California Department of Finance (DOF), the City had an estimated population of 27,383 as of January 1, 2011. This represents an approximate 6% increase over the January 1, 2010 population of 25,852 and a 60% increase over the 2000 population of 16,582 (Department of Finance 2011). Also, based on DOF statistics, there were estimated to be 11,419 housing units as of January 1, 2011; most of those were single-family detached housing (approximately 68% according to 2010 Census data) with the remainder being multi-family and mobile home units. California Employment Development Department data indicate that in Desert Hot Springs approximately 7,500 were employed with a labor force of 9,400 and an unemployment rate of 20% based on June 2011 estimates (<http://www.labormarketinfo.edd.ca.gov>).

EXISTING REVENUE SOURCES

Property Tax Revenue

The County of Riverside collects property taxes for lands in the City of Desert Hot Springs annually at a rate of 1% of assessed valuation. Property tax revenues are allocated between Riverside County, the City, and a variety of other public agencies. Riverside County not only receives property tax revenue from unincorporated lands under its jurisdiction, but also receives a portion of property tax revenue generated in incorporated cities. For Desert Hot Springs, the City receives 16.6% of the 1% collected, and the County 23.1%. Other agencies receive the balance of 60.3%. This allocation has not changed since the preparation of the 2003 FIA.

Property Transfer Tax Revenue

Property transfer tax revenues will also be “lost” if developable lands are converted to conservation. The Property Transfer Tax is levied by Riverside County upon a change of ownership of property. The tax rate is \$1.10 per \$1,000 (or 0.11%) of the unencumbered property value. Riverside County collects Property Transfer Taxes on all changes in ownership that occur within its boundaries, including those located in incorporated cities. If the transfer occurs within the City, the revenue is divided evenly between the County (50%) and the City (50%).

Upon the sale of a new unit, 100% of the unit’s market value is subject to the property transfer tax. Upon change of ownership of an existing unit, the unencumbered value (average 80%) of the property is subject to the property transfer tax. Change in ownership is assumed to begin in the fourth year of the first phase, and 10% of existing residential properties are assumed to change ownership per year. Property values are stated in year 2011 dollars, and the same property values used in the property tax revenue evaluation, above, are used in this analysis. A resale rate of 1% is assumed for multi-family and industrial development. For new industrial buildings, it is assumed that only 10% of the property value will change ownership after the structure is built.

Sales and Use Tax Revenue

Sales tax in Riverside County is collected at a rate of 8.75% by the state of California. The City receives 1% of the 8.75% for its General Fund, and 0.5% is allocated to Measure A, for purposes of regional roadway projects.

Transient Occupancy Tax (TOT) Revenue

Only one land use designation in the Desert Hot Springs General Plan would allow the construction of a hotel or motel, which could then generate Transient Occupancy Tax (TOT). The location of the Estate Residential lands and the minimum acreage of 10 acres make it unlikely that a hotel could develop on these lands. As a result, no TOT revenues have been assumed in the analysis. This represents a reduction from the previous analysis, where Community Commercial lands were assumed to generate a single hotel.

Motor Vehicle In-Lieu Revenue

Motor Vehicle In-Lieu Fees (also referred to as Motor Vehicle License Fees) are imposed on motorists in-lieu of a local property tax. These revenues are collected by the State of California, and a portion of the total revenue is allocated to each local jurisdiction on a monthly basis. Estimated apportionments payable to California cities and counties have been converted to annual per capita factors. For Fiscal Year 2010, the City was expected to receive \$2.94 per capita.

Transportation Uniform Mitigation Fee

Riverside County Ordinance 673 established a fee mitigation program for funding the engineering, construction, and purchase of right-of-way and other transportation improvements in the Coachella Valley. The program is better known as the Transportation Uniform Mitigation Fee (TUMF), and its mitigation fee is paid by developers of new projects prior to the issuance of building permits. Fee amounts are based on the trips generated by the land use, gross square footage of the new building, number of units, number of rooms, or number of parking spaces. Mitigation fees are collected by Riverside County and disbursed to CVAG, which is responsible for the management and utilization of funds for regional transportation improvement projects. TUMF revenues are a one-time, non-recurrent payment, and do not represent an ongoing revenue source. It can also be argued that if the lands proposed for conservation do not develop, they will also not generate any vehicle trips, and will therefore not impact roadway capacity.

Highway User Gas Tax Revenue

Portions of the tax levied per gallon by the State of California on all gasoline purchases are allocated to counties and cities throughout the state. The anticipated per capita apportionment factor for Fiscal Year 2009-2010 for the City was \$16.15.

Measure A Revenue

Of the 8.75% sales tax collected in Riverside County, 0.50% (or .005 cent on the dollar) is contributed to the Measure A fund. Measure A revenues are managed and disbursed by the Riverside County Transportation Commission (RCTC). Of all the Measure A revenues allocated to the Coachella Valley region, 65% is specifically designated for regional transportation projects, including highway and arterial improvements and public transit programs. The remaining 35% is allocated to local jurisdictions, based on a formula that accounts for the jurisdiction's population and total taxable sales. Measure A revenues are restricted for use in funding local street maintenance, traffic signal installation, and related improvements.

The fiscal model prepared for the Major Amendment estimates potential Measure A losses by estimating anticipated sales tax revenues, using the same methodology used to project local sales tax revenues. It then extracts the 0.50% designated for Measure A. It further reduces this amount to reflect only that portion (26.9%) that is allocated to the Coachella Valley region. Of the 26.9% allocated to the region, only 35% is allocated to local jurisdictions via the Streets/Roads program. Desert Hot Springs receives 2.9% of the local allocation.

County Service Area 152 Revenue

County Service Area (CSA) 152 supports the National Pollution Discharge Elimination System (NPDES), a program that implements the federal Clean Water Act of 1990. The program requires the adoption and implementation of storm water management plans, which reduce the discharge of pollutants from storm water systems into waters of the United States. Desert Hot Springs participates in CSA 152.

Under CSA 152, an annual assessment is levied on both developed and undeveloped lands. The amount assessed is based on a system of Benefit Assessment Units (BAUs). Each parcel is assigned a specific number of BAUs, based on land use, as shown in Table 4.3-1 below.

Table 4.3-1	
County Service Area 152	
Benefit Assessment Unit (BAU) Factors	
<i>Land Use</i>	BAU Assignment
Single-Family Residential	1 BAU/dwelling unit
Multi-Family Residential	9 BAU/developed acre
Commercial/Industrial	12 BAU/developed acre
Golf Course/Private Park	0.10 BAU/developed acre
Parcels w/miscellaneous structures	0.05 BAU/developed acre
Agriculture, Dairies, Vacant and Undeveloped Parcels	0 BAU/acre

Each city has established its own BAU dollar value. To calculate the assessment for a particular property, the fiscal model multiplies the number of dwelling units or developed acres, by the number of BAUs assigned to the property, and the city's established BAU dollar rate. The BAU rate for Desert Hot Springs is \$1.56.

Other City Specific Revenues

In addition to those revenue sources applicable throughout the CVMSHCP area, Desert Hot Springs receives revenues from three additional sources: the Public Safety Tax, the Utility Users Tax, and Community Facilities District (CFD) 2010-01. For purposes of this analysis, it has been assumed that both the Public Safety Tax and the Utility Users Tax will be maintained through the 20 year build-out period. These taxes do have sunsets, but have been renewed by the voters, and would be expected to be renewed again. The CFD has been assumed to be the vehicle that would replace the Landscaping and Lighting Districts previously used by the City. It has further been assumed that all future development on the lands proposed for conservation would be annexed to the CFD. Although the CFD includes a range of potential rates, this analysis assumes a cost of \$400 per unit for maintenance costs, which would appear typical of a residential parcel. Single family residential units are assessed one Benefit Unit (BU) per unit; apartments are assessed 0.60 BU per unit, and industrial development is assessed 2 BU per acre.

GOVERNMENT COSTS

Investment Income

If municipal revenues are "lost" to conservation, any investment income that could be generated by these revenues will also be lost. To project potential investment earnings on new revenues, the supporting fiscal model applied the historical average interest rate of the 90-Day Treasury Bill, an average interest rate of 5.03%, which is the standard prescribed in the Riverside County "Guide to Preparing Fiscal Impact Reports."

Costs of General Government

General government costs represent the costs of providing a city's employee salaries and benefits, postage, printing, travel, equipment maintenance and repairs, contract services, computers, vehicles, and other items necessary for the day-to-day functioning of city government. These items are typically funded through the General Fund. The fiscal model translates total General Fund expenditures (minus expenditures for public safety and roadway maintenance, which are calculated separately and discussed below) into a per capita factor, and applies that amount to the anticipated build-out population. The result is the estimated cost of providing general government services to future residents. As there are considerable economies

of scale associated with providing general services, this analysis method, although consistent with the Guide, is extremely conservative, and overstates the likely costs to the City.

Costs of Public Safety Services

Public safety is defined for purposes of this analysis as police, fire, and ambulance services, as well as Code Compliance and Animal Control activities, which are conducted under this budget category as well. The costs of providing public safety services are calculated in the same manner as general government costs. The supporting fiscal model translates these expenditures into a per capita factor and applies this factor to the anticipated build-out population.

Costs of Roadway Maintenance

The costs associated with repairing and maintaining future paved public roads are calculated using a per road mile cost factor. The supporting fiscal model first determined the existing number of paved road miles per square mile of land area in the City. The model then identified the number of square miles of land area designated for conservation and estimates the number of potential paved road miles that could be constructed in the Conservation Area. The model then divided the City's total annual roadway maintenance costs by the number of paved road miles to determine an annual per road mile cost factor. Finally, the annual per road mile cost is applied to the number of potential paved road miles in the Conservation Area for that jurisdiction. For purposes of this analysis, it is assumed that new road development would occur as development would occur, and would be at the developers' expense. No cost would therefore result for the City.

4.3.3 Thresholds of Significance/Criteria for Determining Significance

The following thresholds are taken from the certified EIR/EIS dated September 2007 and reflect both NEPA and CEQA thresholds agreed to by all the Parties for analysis of socioeconomic and fiscal impacts. The Major Amendment and the Alternatives would have a significant effect on socioeconomic and the City's fiscal resources if it would:

- a. Cause a significant adverse socioeconomic effect on communities located within the amended planning area.*
- b. Create a substantial adverse fiscal effect on the City or local governments as a consequence of the loss of public revenues or in association with the provision of governmental infrastructure (staff and facilities) associated with implementation of the Major Amendment.*

- c. Create a substantial adverse economic effect on an important sector of the planning area's economy.*
- d. Induce substantial population growth in an area, either directly (for example, by proposing new homes and businesses) or indirectly (for example, through extension of road or other infrastructure).*
- e. Displace substantial numbers of existing housing, necessitating the construction of replacement housing elsewhere.*
- f. Displace substantial numbers of people, necessitating the construction of replacement housing elsewhere.*

4.3.4 Socioeconomic Project Impacts

Proposed Action/Preferred Alternative

Socioeconomic and Fiscal Effects

The approved Recirculated EIR/EIS prepared for the Plan considered the lands in Conservation Areas in each city and on unincorporated County lands, and calculated potential costs and revenues associated with build-out of those lands according to each jurisdiction's General Plan, in current dollars. Although not a Permittee of the Plan, Desert Hot Springs was included in the analysis because the Upper Mission Creek/Big Morongo Canyon Conservation Area encompasses the portions of the Mission Creek flood control channel and Morongo Wash within the City of Desert Hot Springs. The area was designated as a Special Provisions Area to address a potential Morongo Wash flood control facility and its associated mitigation, as well as conservation for a wildlife habitat corridor.

As discussed in the introduction to this section, the overall purpose of the SEIR/SEIS is to evaluate amending the Plan to include both Desert Hot Springs and MSWD as Permittees. However, the supporting FIA focuses on public costs and revenues that would result if vacant lands identified for conservation by the CVMSHCP were instead allowed to develop in Desert Hot Springs consistent with the current General Plan land use designation. MSWD does not have decision-making authority over land use designations and no Conservation Area boundaries will change within the MSWD service area outside of Desert Hot Springs; therefore, the fiscal impact of adding MSWD as a Permittee is not considered in the following impact analysis.

Within Desert Hot Springs, a total of 6,173+ acres are currently vacant and undeveloped in the proposed Conservation Areas. Of these, 2,933+ acres are designated as Open Space. This analysis assumes that Open Space lands would remain undeveloped, and would not have potential to generate revenues associated with development. Therefore, lands designated as Open

Space are not analyzed in this fiscal analysis. The remaining 3,240+ acres are designated for residential and industrial uses in the City's General Plan, as shown in Table 4.3-2, and are the subject of the cost/revenue analyses that follow.

Table 4.3-2				
Desert Hot Springs				
Summary of Potentially Developable Vacant Lands¹				
Land Use	Description	Acreage	Type	Potential Total Units or SF at Buildout²
RD	Rural Desert (0-1 du//10 ac	936	DU	72
R-E-10	Residential Estates (0-1 du/10ac)	233	DU	16
RR	Rural Residential (0-1 du/5ac)	465	DU	68
R-L	Low Density Residential (0-5 du/ac)	259	DU	972
R-L/SP	Low Density Residential, Specific Plan (0-5 du)	1,167	DU	4,376
	Single-Family Residential Subtotals	3,060	DU	5,504
R-M	Medium Density Residential (0-8 du/ac)	16	DU	96
R-H	High Density Residential (0-14 du/ac)	47	DU	492
	Multi-Family Residential Subtotals	63	DU	588
	RESIDENTIAL SUBTOTALS²	3,123	DU	6,092
LI	Light Industrial	89	SF	1,318,124
I-L	Light Industrial	28	SF	414,692
	INDUSTRIAL SUBTOTALS	117	SF	1,732,816
	TOTAL	3,240		

Source: Coachella Valley Association of Governments, December 10, 2010.
¹Does not include lands designated for Open Space
²For residential development, assumes 75 percent of total du possible at maximum permitted density
³For industrial development, assumes 34 percent lot coverage at build-out.

As shown in the preceding table, development of lands designated for residential uses would result in construction of 6,092 single and multi-family dwelling units at buildout. In Desert Hot Springs, the average household size is 2.88 persons, as described by the California Department of Finance. Based on these data, and the previously stated assumption that 100% of these units would be occupied, the buildout population of the subject property would be 17,545.

Property Tax Revenue

As recommended by the Riverside County "Guide to Preparing Fiscal Impact Reports," the supporting fiscal model assumes all properties are taxed at a rate of 1 percent of valuation, and the collection rate is 100 percent. All property values are stated in year 2011 dollars. The value of new single-family residential units is based on the 2nd quarter 2010 median new home prices

provided in the "Inland Empire Quarterly Economic Report." As shown in that report, the median new home value for Desert Hot Springs is \$207,000. The median value of new multi-family residences is assumed to be \$98,490 per unit, which represents standard valuation of new multi-family residential development in Desert Hot Springs between July 2008 and March 2010. The value of new industrial development is assumed to be \$60 per square foot.

Desert Hot Springs, receives 16.6% of the 1% allocation collected by the County. This allocation rate has been used to estimate potential property tax revenues that could be generated on proposed conservation lands within Desert Hot Springs. 23.1% of the 1% allocation goes to the Riverside County General Fund, and 60.3% goes to other agencies.

Based on the development assumptions previously discussed, projected City property tax revenues have been estimated for the 20-year project build-out period.

Potential Property Tax Revenues from Residential Development

There are approximately 3,123 developable acres within Desert Hot Springs designated for residential uses. Of these, 3,060+ are designated for single-family development, with densities ranging from 1 dwelling unit per 10 acres to 5 dwelling units per acre. The remaining 63+ acres are designated for medium and high density, multi-family development (maximum 14 dwelling units per acre).

Based on a median home price of \$207,000 for single-family homes, and \$98,490 for multi-family residential development, potential annual property tax revenues to the City from residential development would be \$1,987,418 at build-out. Table V-2, below, summarizes potential annual property tax revenues for residential development for each of the four build-out phases.

Potential Property Tax Revenues from Industrial Development

There are approximately 117+ acres within Desert Hot Springs with developable potential for industrial uses. Potential property tax revenues to the City from all developable industrial lands in Desert Hot Springs total \$172,588 annually. Potential annual property tax revenues for all four build-out phases from potentially developable industrial lands in Desert Hot Springs are summarized in Table 4.3-3.

Table 4.3-3				
Desert Hot Springs				
Property Tax Revenue Summary Table				
	Build-out Phase			
	Phase I (Yrs 1-5)	Phase II (Yrs 6-10)	Phase III (Yrs 11-15)	Phase IV (Yrs 16-20)
Total property tax revenue from residential development	\$496,855	\$993,709	\$1,490,564	\$1,987,418
Total property tax revenue from industrial development	\$43,147	\$86,295	\$129,441	\$172,588
Total property tax revenue from all development	\$540,002	\$1,080,004	\$1,620,005	\$2,160,006

As the preceding Table shows, it is estimated that Desert Hot Springs would lose a total of \$2,160,006 over the next 20 years in property tax revenues if the vacant lands currently designated for urban uses are conserved.

Property Transfer Tax Revenue

The Property Transfer Tax is levied by Riverside County upon a change of ownership, at a rate of \$1.10 per \$1,000 (or 0.11 percent) of the unencumbered property value. Riverside County collects Property Transfer Taxes on all changes in ownership that occur within its boundaries, including those located in incorporated cities. For transfers within an incorporated city, the revenue is divided evenly between the County (50 percent) and the city (50 percent) in which the property is located. Assumptions for estimated Property Transfer Tax revenues are calculated according to the instructions provided in the Riverside County "Guide to Preparing Fiscal Impact Reports."

In Desert Hot Springs, potential annual property transfer tax revenues have been calculated for approximately 3,240 acres of lands with potential for urban development. These include residential and industrial uses, discussed categorically below.

Potential Revenues from Residential Property Transfer Tax

In Desert Hot Springs, 3,123+ acres of developable land are designated for residential development. Based on build-out of these lands at 75 percent of maximum allowable densities, 6,092 new residential units would be constructed. Residential development on these lands would generate \$355,544 annually in property transfer tax to the City at build-out.

Potential Revenues from Industrial Property Transfer Tax

For the 117+ acres of potentially developable lands designated for industrial use in Desert Hot Springs, and based on the transfer rate assumptions, annual property transfer tax revenues resulting from development of these lands for industrial use would be \$16,012 at build-out. Table 4.3-4, below, summarizes potential annual property transfer tax revenues to the City, which would be lost if these lands are placed in conservation.

<i>Table 4.3-4</i>				
Desert Hot Springs				
Property Transfer Tax Revenue Summary				
	Buildout Phase			
	Phase I (Yrs 1-5)	Phase II (Yrs 6-10)	Phase III (Yrs 11-15)	Phase IV (Yrs 16-20)
Total tax revenue from residential development	\$172,301	\$236,855	\$292,053	\$355,544
Total tax revenue from industrial development	\$14,365	\$14,874	\$15,440	\$16,012
Total property transfer tax revenue from all development	\$186,666	\$251,729	\$307,493	\$371,556

Sales and Use Tax Revenue

For vacant residential lands being proposed for conservation, estimates of potential sales tax revenues are based on the discretionary income of future residents. Assumptions for determining discretionary income of future residents, including monthly single and multi-family housing costs, are discussed above in Section 4.3.2.

Potential Sales Tax Revenues from Residential Development

Of the 3,123+ developable acres in Desert Hot designated for residential development, approximately 3,076 acres would be developed for single-family residential dwellings, with densities ranging from one dwelling unit per 10 acres to 5 dwelling units per acre. Residential development in Desert Hot Springs would yield annual sales tax revenues to the City of \$445,532 at build-out. Table 4.3-5 summarizes potential annual sales tax revenues for residential development, which would be lost if the potentially developable lands are placed in conservation.

Table 4.3-5 Desert Hot Springs Sales Tax Revenue Summary				
Build-out Phase				
	Phase I (Yrs 1-5)	Phase II (Yrs 6-10)	Phase III (Yrs 11-15)	Phase IV (Yrs 16-20)
Total sales tax revenue from single-family residential development	\$106,358	\$212,715	\$319,073	\$425,430
Total sales tax revenue from multi-family residential development	\$5,025	\$10,051	\$15,076	\$20,102
Total sales tax revenue from all development	\$111,383	\$222,766	\$334,149	\$445,532

Motor Vehicle In-Lieu Revenue

Motor Vehicle In-Lieu Fees (also referred to as Motor Vehicle License Fees) are imposed on motorists in-lieu of a local property tax. These revenues are collected by the State of California, and a portion of the total revenue is allocated to each local jurisdiction on a monthly basis. Estimated apportionments payable to California cities and counties have been converted to annual per capita factors. For Fiscal Year 2009-2010, Desert Hot Springs was expected to receive \$2.94 per capita.

Approximately 3,123 acres of vacant land are currently designated for residential development and would be conserved. If these lands were allowed to develop as currently designated, 6,092 new single and multi-family residential units would be constructed. Based on an average household size of 2.88 persons, it is estimated that at build-out, these new residential units would result in a total of 17,545 new residents. Consequently, Desert Hot Springs would stand to annually receive motor vehicle in-lieu revenues of \$51,582 under current General Plan build-out of the affected area. Table 4.3-6 summarizes potential annual Motor Vehicle In-Lieu revenues to Desert Hot Springs for all four build-out phases.

Table 4.3-6 Desert Hot Springs Motor Vehicle In-Lieu Revenue Summary Table				
	Buildout Phase			
	Phase I (Yrs 1-5)	Phase II (Yrs 6-10)	Phase III (Yrs 11-15)	Phase IV (Yrs 16-20)
Total Motor Vehicle In-Lieu Revenue from all development	\$12,896	\$25,791	\$38,687	\$51,582

Transportation Uniform Mitigation Fees

As previously discussed, Desert Hot Springs participates in the Transportation Uniform Mitigation Fee (TUMF) program. TUMF fees, which fund regional transportation improvement projects in the Coachella Valley, are paid by developers of new projects prior to the issuance of building permits.

Because all TUMF fees are allocated to CVAG for regional transportation improvements, and none are retained by the jurisdiction in which they were collected, the TUMF fees are also identified as a cost in the Restricted Fund Costs section. The direct fiscal impacts on Desert Hot Springs of implementing the Major Amendment will therefore be less than significant.

TUMF Fee Potential from Residential Development

TUMF fees for residential development are calculated per dwelling unit. Fees for single-family dwelling units are \$1,837.44 per unit, and \$1,276.80 per multi-family dwelling unit. In Desert Hot Springs, the 3,123+ acres with residential development potential would result in construction of 5,504 single-family residences and 588 multi-family residences, for a total of 6,092 residential units. Based on these data, CVAG would collect a total of \$2,729,462 in TUMF fees for residential development during each phase of residential development in Desert Hot Springs. This is not annual revenue, but a one-time revenue that would occur at the time each unit is built.

Industrial Development TUMF Fee Potential

For industrial development, TUMF fees are collected at a rate of \$1,031.56 per 1,000 square feet of gross floor area for industrial. There are approximately 117 acres of vacant lands with potential for 433,204 square feet of industrial space per phase. CVAG would collect \$446,876 in TUMF fees per phase. This is not annual revenue, but a one-time revenue that would occur at the time each building is built. Table 4.3-7 summarizes TUMF fees that would be lost if all vacant lands with development potential in Desert Hot Springs were placed in conservation.

Table 4.3-7				
Desert Hot Springs TUMF Revenue Summary Table				
	Build-out Phase			
	Phase I (Yrs 1-5)	Phase II (Yrs 6-10)	Phase III (Yrs 11-15)	Phase IV (Yrs 16-20)
Total TUMF revenue from residential development	\$2,729,462	\$2,729,462	\$2,729,462	\$2,729,462
Total TUMF revenue from industrial development	\$446,876	\$446,876	\$446,876	\$446,876
Total TUMF revenue from all development	\$3,176,339	\$3,176,339	\$3,176,339	\$3,176,339

Highway User Gas Tax Revenue

Desert Hot Springs received a per capita apportionment factor for fiscal year 2009-2010 of \$16.15. Based on a total potential population of 17,545, total annual gas tax revenue from all development in Desert Hot Springs would be \$283,351 at build-out. Table 4.3-8 summarizes potential annual Highway User Gas Tax revenues for Desert Hot Springs.

<i>Table 4.3-8</i>				
Desert Hot Springs				
Highway User Gas Tax Revenue Summary				
	Build-out Phase			
	Phase I (Yrs 1-5)	Phase II (Yrs 6-10)	Phase III (Yrs 11-15)	Phase IV (Yrs 16-20)
Total Gas Tax Revenue from all development	\$70,838	\$141,676	\$212,513	\$283,351

Measure A Revenue

Of the 8.75% sales tax collected in Riverside County, 0.50% is contributed to the Measure A fund. These revenues are managed and dispersed by the Riverside County Transportation Commission (RCTC). For Measure A revenues allocated to the Coachella Valley region, 65% is specifically designated for regional transportation projects, including highway and arterial improvements and public transit programs. Of the remaining 35% allocated to local jurisdictions for use in funding local street maintenance, traffic signal installation, and related improvements, 24% is allocated to the Coachella Valley region. Of that 24%, Desert Hot Springs receives a 3% allocation, based on the City's population and total taxable sales.

Potential Measure A Revenues from Residential Development

This analysis projects that potential residential development in Desert Hot Springs would result in approximately 6,092 residential dwellings. Potential residential development in Desert Hot Springs would yield \$561 in annual Measure A revenues at build-out. Table 4.3-9 summarizes potential annual Measure A revenues that would be lost should potentially developable vacant lands in Desert Hot Springs be converted to conservation.

Table 4.3-9				
Desert Hot Springs Measure A Revenue Summary				
Build-out Phase				
	Phase I (Yrs 1-5)	Phase II (Yrs 6-10)	Phase III (Yrs 11-15)	Phase IV (Yrs 16-20)
Total Measure A revenue from single-family residential development	\$134	\$268	\$402	\$536
Total Measure A revenue from multi-family residential development	\$6	\$13	\$19	\$25
Total Measure A revenue from all development	\$140	\$281	\$421	\$561

County Service Area (CSA) 152 Revenue

Desert Hot Springs is one of four Coachella Valley cities that participate in CSA 152, to support the National Pollution Discharge Elimination System (NPDES), a program that implements the federal Clean Water Act of 1990. Riverside County collects, manages, and reimburses to the participating cities 100% of the CSA 152 assessments collected.

Desert Hot Springs' BAU dollar rate is \$1.56. The assessment for residential lands is based on the BAU dollar rate multiplied by the number of dwelling units on a parcel, and the number of BAUs assigned to the property. The same formula is used to determine the assessment for industrial lands, with the exception that the assessment is based on the number of developed acres on a parcel instead of dwelling units per parcel. CSA 152 revenue assessments are discussed for residential and industrial development, below.

Potential CSA 152 Revenue from Residential Development

There are approximately 3,123 vacant acres in Conservation Areas with potential for residential development. If allowed to develop under their current designations, these 3,123 acres would result in construction of 6,092 units at buildout. Therefore, potential annual CSA 152 revenues from residential development would be \$9,504 at build-out.

Potential CSA 152 Revenue from Industrial Development

There are a total of 117+ undeveloped acres with potential for industrial development. Those 117+ acres of developed industrial lands would yield \$2,190 in annual CSA 152 revenues at build-out. Table 4.3-10 summarizes potential annual CSA 152 revenues from all vacant lands with potential for urban development in Desert Hot Springs.