STATE OF CALIFORNIA
Capital Outlay Budget Change Proposal (COBCP) - Cover Sheet
DF-151 (REV 07/21)

Fiscal Year	Business Unit	Department	Priority No.
2026/27	3125	California Tahoe Conservancy	004

Budget Request Name	Capital Outlay Program ID	Capital Outlay Project ID
3125-004-COBCP-2026-GB	2345	0001388

Project Title
Opportunity Acquisitions

Project Status and Type
Status: ☐ New ☒ Continuing Type: ☒Major ☐ Minor

Project Category *(Select one)*

☐CRI *(Critical Infrastructure)*	☐WSD *(Workload Space Deficiencies)*	☐ECP *(Enrollment Caseload Population)*	☐SM *(Seismic)*
☐FLS *(Fire Life Safety)*	☒FM *(Facility Modernization)*	☐PAR *(Public Access Recreation)*	☒RC *(Resource Conservation)*

Total Request (in thousands)	Phase(s) to be Funded	Total Project Cost (in thousands)
$ 6,000	ACQUISITION	$ 6,000

Budget Request Summary

The California Tahoe Conservancy (Conservancy) requests $6 million for the acquisition of lands in environmentally sensitive or significant resource areas. The requested funding is comprised of:

1) $1.5 million of Safe Drinking Water, Wildfire Prevention, and Drought Preparedness (Proposition 4)
2) $4.5 million of reimbursement authority to the Environmental License Plate Fund

Requires Legislation	Code Section(s) to be Added/Amended/Repealed	CCCI
☐ Yes ☒ No	N/A	N/A

Requires Provisional Language	Budget Package Status
☐ Yes ☒ No	☐ Needed ☒ Not Needed ☐ Existing

Impact on Support Budget

One-Time Costs	☐ Yes	☒ No	Swing Space Needed	☐ Yes	☒ No
Future Savings	☐ Yes	☒ No	Generate Surplus Property	☐ Yes	☒ No
Future Costs	☐ Yes	☒ No			

If proposal affects another department, does other department concur with proposal? ☐ Yes ☐ No
Attach comments of affected department, signed and dated by the department director or designee.

Prepared By	Date	Reviewed By	Date
Department Director	**Date**	**Agency Secretary**	**Date**

Department of Finance Use Only

Principal Program Budget Analyst	Date submitted to the Legislature
Michael McGinness	**1/9/2026**

A. COBCP Abstract:

The Conservancy requests $6 million for the acquisition of lands in environmentally sensitive or significant resource areas. The requested funding will support continued acquisition of environmentally sensitive lands and demolition of aging structures in support of the State of California's ongoing commitment to fund and implement restoration projects.

B. Purpose of the Project:

Conservancy staff and partner agencies have identified up to 10 properties (commercial development and residential lots on environmentally sensitive land) for acquisition in the City of South Lake Tahoe, El Dorado County, and Placer County. The acquisition of environmentally sensitive lands helps advance California State Executive Order N-82-20 and Presidential Executive Order 14008, which establish a state and national goal of conserving 30 percent of California and the nation's lands and coastal waters by 2030. In addition, land purchases protect critical wetland and meadow habitat, promote biodiversity, and provide opportunities to improve climate resilience.

The Conservancy also seeks to acquire aging developed properties, restore environmentally sensitive lands, and either retire or transfer the associated development rights to town centers. The land acquisitions and transfer of development rights to town centers encourage sustainable development patterns and promote more walkable, bikeable, and rolling climate-resilient communities, which supports the State's climate goals found in SB375.

The Conservancy's recent acquisitions of the Knox Johnson property and the Van Sickle Bi-State Park entrance parcel exemplify environmentally sensitive land acquisitions. For decades, the Knox Johnson property was a top acquisition priority for state and regional partners. Acquiring the 31-acre property places over 96 percent of the lower nine-miles of the Upper Truckee River in public ownership. The purchase shows tangible, on-the-ground progress of removing development out of sensitive lands, which is a central goal of the Lake Tahoe Regional Plan.

The Conservancy acquisition program also promotes local land use goals and the Lake Tahoe Regional Plan to accelerate environmental restoration by transferring aging development from sensitive areas to town centers and to build resilient communities.

C. Relationship to the Strategic Plan:

The Conservancy was established in 1984 for the purposes of protecting and restoring Lake Tahoe's natural environment, including water quality, air quality, and wildlife habitat; acquiring, restoring, and managing lands; preserving the scenic beauty and recreational opportunities of the region; and providing public access.

The acquisition of environmentally sensitive lands and developed properties is a key component of achieving the Conservancy's Strategic Goal "Restore the Basin's Social and Ecological Resilience" of its 2024-2029 Strategic Plan. Under this goal, the Conservancy uses its lands and development rights to support local and statewide priorities. To achieve this Goal, the Conservancy's key action is to acquire aging developed properties, restore environmentally sensitive land, and either retire or transfer the associated development rights to town centers.

Additionally, the implementation of the Conservancy's programs supports the Lake Tahoe Environmental Improvement Program (EIP), which aims to accelerate environmental protection and restoration goals of the Regional Plan. In 1997, the State of California joined the State of Nevada, the Federal Government, the Tahoe Regional Planning Agency (TRPA), and other partners in a commitment to fund and implement the EIP. The request for funding for the acquisition of environmentally sensitive lands and developed properties is consistent with continuation of this commitment.

The acquisition of environmentally sensitive lands is critical to the implementation of California State Executive Order N-82-20 and Presidential Executive Order 14008, which establish a state and national goal of conserving 30 percent of California and the nation's lands and coastal waters by 2030.

D. Alternatives:

Alternative 1: Acquire sensitive lands consistent with the project scope.

This proposal would authorize funding sources previously appropriated to the Conservancy and provide reimbursement authority to secure future grants. The Conservancy will use the funding consistent with the legislative intent of the funds identified. This includes for the purposes of acquisition of environmentally sensitive lands and demolition of aging structures. The requested funding would continue ongoing efforts to acquire environmentally sensitive lands and developed properties in order to prevent further degradation of water quality and promote the transfer of development from outlying areas to town centers.

Alternative 2: No Project/No Action.

This alternative would not fund additional Conservancy acquisition activities.

E. Recommended Solution:

1. Which alternative and why?

The recommended alternative is for authorization of and reimbursement authority for funding additional acquisition activities (Alternative 1). The acquisition of environmentally sensitive lands and developed properties is consistent with the Conservancy's mission and supports the State of California's commitment to fund and implement projects in support of the EIP. The Conservancy has an ongoing, established acquisition program in place that can continue to identify potential priority acquisitions, perform the necessary pre-acquisition activities (e.g., appraisal, title review, survey, and environmental analysis), and, if funded, complete the acquisitions. The requested funding is adequate for the level of acquisition activity anticipated in the 2026/27 fiscal year.

A failure to fund additional acquisition and pre-acquisition activities (Alternative 2) would eliminate the Conservancy's ability to pursue key acquisitions that support the agency's strategic goals. The Conservancy's acquisition program works with willing sellers. Without ready funding, the Conservancy would not be able to move forward in a timely manner with willing sellers, which could result in a loss of acquisition opportunities.

2. Detailed scope description.

The scope of the project includes site selection and acquisition of environmentally sensitive lands. It will also require complete review of parcel preliminary title reports, appraisals, license agreements, phase 1 environmental reports, land surveys, closing costs, and other real estate due diligence steps.

3. Basis for cost information.

All properties are subject to fair market appraisals. All appraisals are subject to appraisal review by the Department of General Services.

4. Factors/benefits for recommended solution other than the least expensive alternative.

N/A

5. Complete description of impact on support budget.

This request has no impact on the department's support budget.

F. Consistency with Government Code Section 65041.1:

Does the recommended solution (project) promote infill development by rehabilitating existing infrastructure and how? Explain.

Yes. The acquisition of environmentally sensitive lands actively promotes infill development, rehabilitation of existing infrastructure, and ensures no further development is allowed on the State's most valuable natural resources. Furthermore, the acquisition of developed properties and the movement of development rights into town centers encourages efficient development patterns and appropriate infrastructure growth plans.

Does the project improve the protection of environmental and agricultural resources by protecting and preserving the state's most valuable natural resources? Explain.

Yes. The project and the Conservancy's land acquisition program goal is to acquire environmentally sensitive land from willing sellers for public access, water quality, and wildlife protection.

Does the project encourage efficient development patterns by ensuring that infrastructure associated with development, other than infill, support efficient use of land and is appropriately planned for growth? Explain.

Yes. The Project is seeking to acquire aging developed properties, remove the development, and restore the environmentally sensitive lands and either retire or transfer the associated development rights to town centers. The land acquisitions encourage efficient development patterns and promotes more walkable, bikeable and rolling climate-resilient communities.