

Mitigation Credit Agreements (MCAs)

October 2024

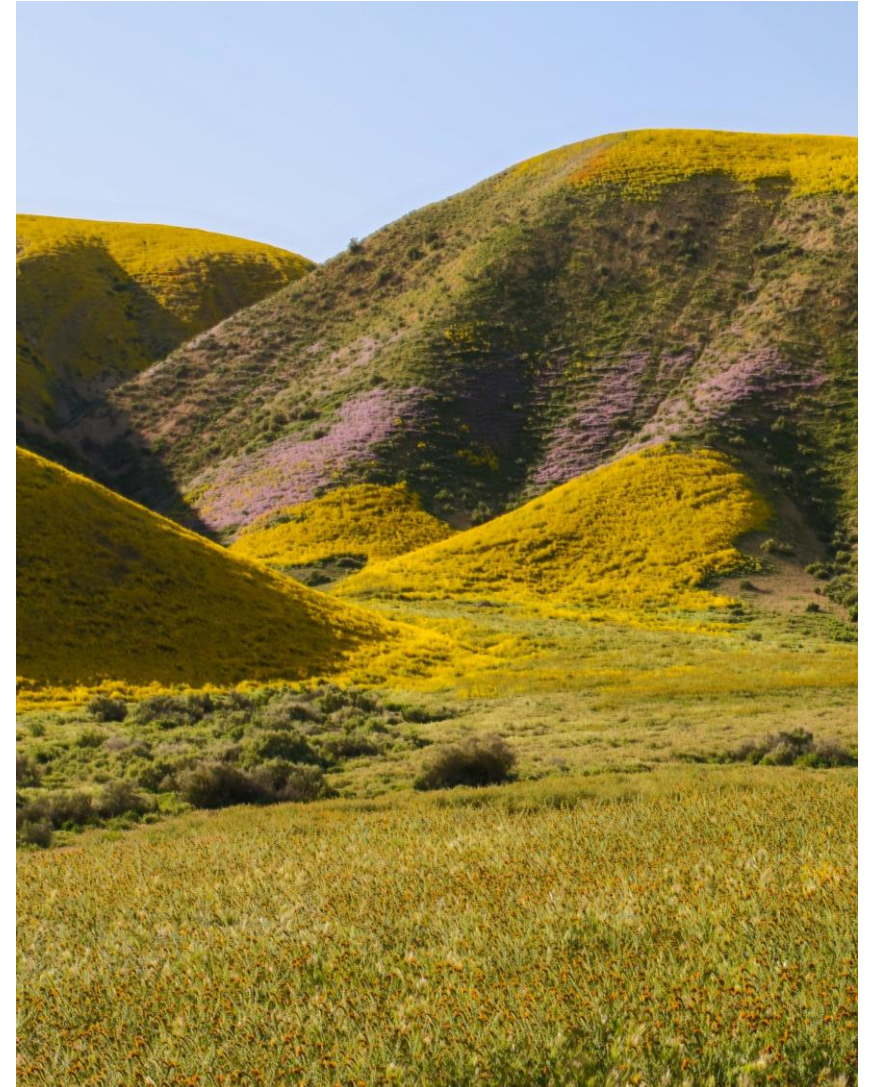
MCA Background

- Subprogram of the Regional Conservation Investment Strategy (RCIS) Program
- 2017 – AB 2087 Created Fish & Game Code Section 1850-1861
- 2022 – AB 2805 Updated Fish & Game Code
- 2023 – Updated RCIS Program Guidelines Released with MCA subprogram Info



What's an MCA?

- Mitigation Credit Agreement = MCA
- Subprogram of the RCIS Program
 - MCAs must occur within an approved RCIS area
- Implement actions identified in an RCIS to create mitigation credits for:
 - Focal species
 - Non-focal species
 - Other conservation elements



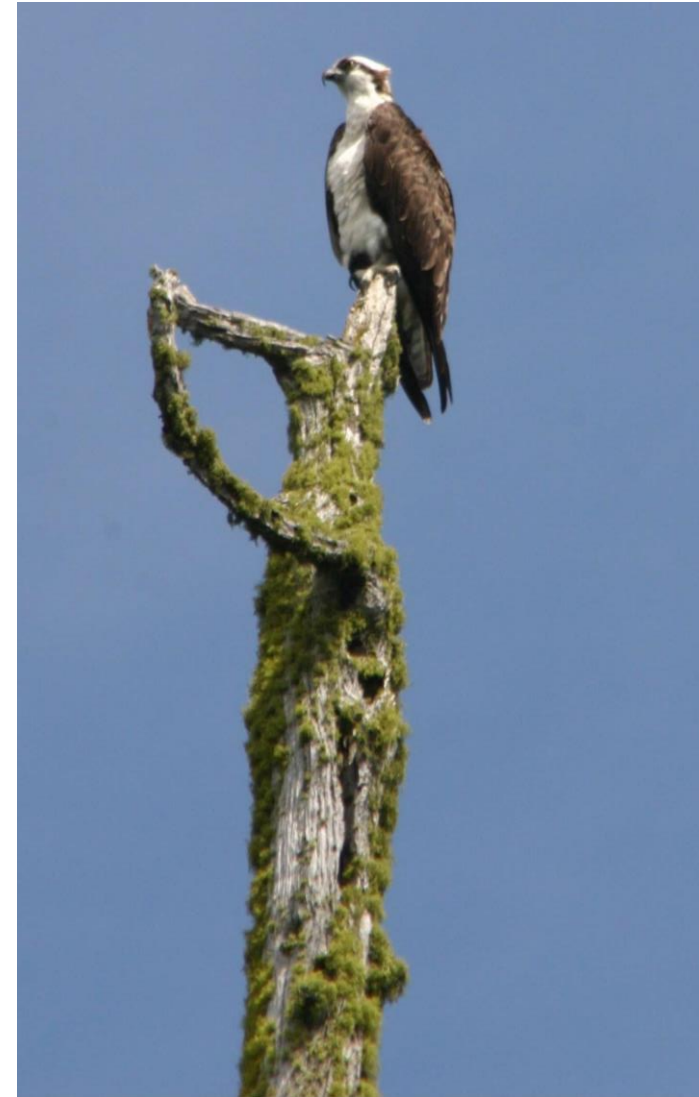
MCA Advance Mitigation Key Features



- New advance mitigation program
- Any entity can create an MCA (public or private)
- Offset impacts under CA Laws (CESA, CEQA, LSA)
 - Potential to include acknowledging agencies
- Ecologically-based service areas
- Land protection & long-term funding
- Securities

Unique Features of MCAs

- Credits can be sold or retained by the sponsor for future use
- Can be established on public lands
- Can be created on multiple sites with the same overall purpose
- Can be developed at sites with excess mitigation
- Can simplify the credit release schedule, reducing fees
- Additional options and flexibilities



Program Comparison

MCA	Bank
Must occur within an approved RCIS	Can occur anywhere
Non-permanent & permanent credits	Permanent
Conservation Easement (permanent) Long term durability agreement (non-permanent)	Conservation Easement
Framework option available	No framework
CDFW subprogram – allows other agencies to sign as acknowledging agency if desired	Includes up to 8 MOU agencies that use the Bank Enabling Instrument (BEI)
Can create an MCA from excess mitigation	Option not available
Public review required for MCA approval	No public review
Closure still allows for the use of credits purchased prior to closure	Closure stops the transfer (use) of credits purchased prior to closure

Acknowledging Agencies



- Other federal, state, or local agencies can be an acknowledging agency.
 - They can sign the MCA to indicate it meets their standards and requirements.
 - Alternatively, other agencies may always accept the use of MCA credits after an MCA is established.
- MCA sponsor should identify and coordinate with the agencies
- Process – early and often coordination.

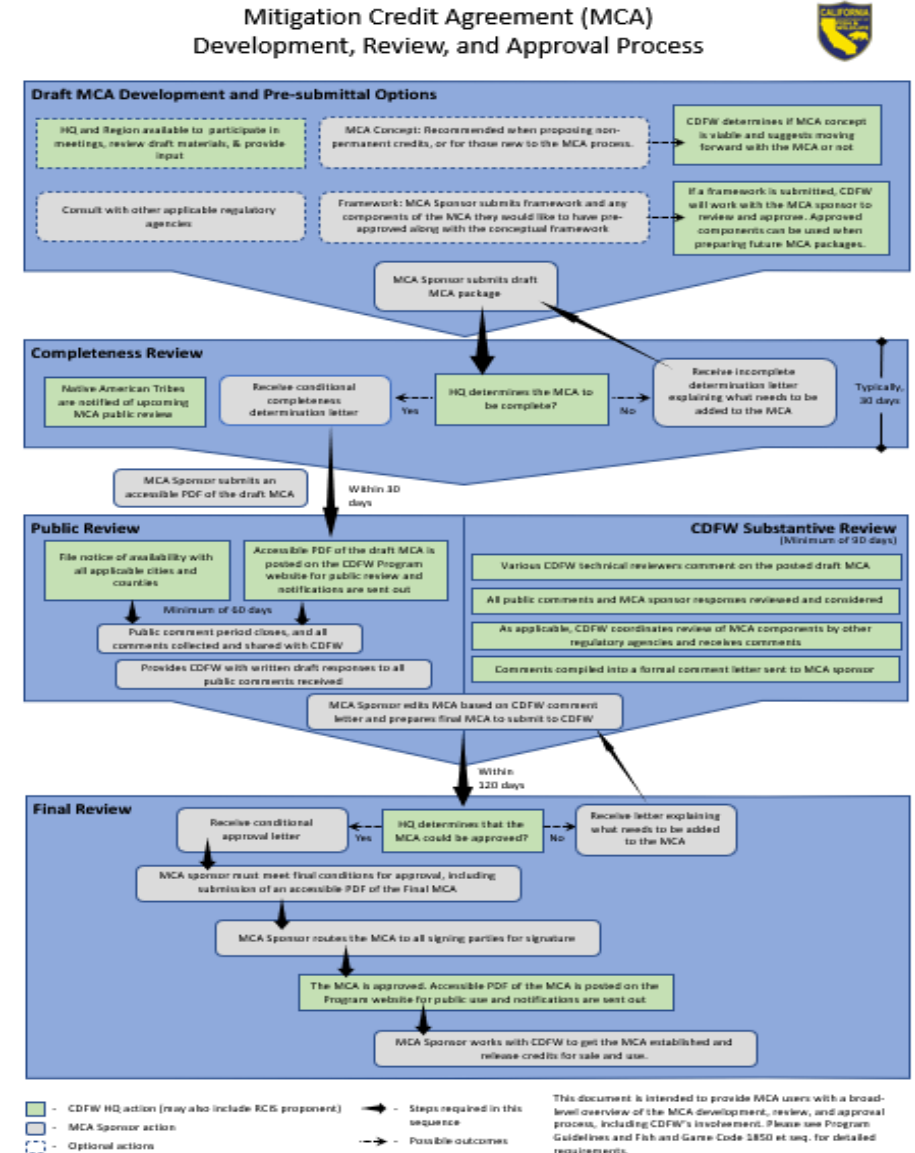
Types of MCA Credits

Guidelines
Section 5.3.10

Conservation Actions (Permanent Protection)	Habitat Enhancement Actions (Non-Permanent Protection)
<ul style="list-style-type: none">• Establishment Credits (create, restore or enhance habitat)• Preservation Credits (preserve)	<ul style="list-style-type: none">• Establishment Credits (create, restore or enhance habitat)
<ul style="list-style-type: none">• Requires a Conservation Easement (Perpetuity)	<ul style="list-style-type: none">• Requires a long-term durability instrument (For a set period of time)
<ul style="list-style-type: none">• Endowment Required for Long-term management (State agency exception)	<ul style="list-style-type: none">• Alternative funding options for management

MCA Review Process

- Completeness Review (30 days)
- Public Review (60 days minimum)
- CDFW Substantive Review
- Generally concurrent with the public review
- Results in: approval, approval with revisions, or potentially disapproval of the Draft MCA Package.
- Final Submittal by MCA sponsor within 120 days



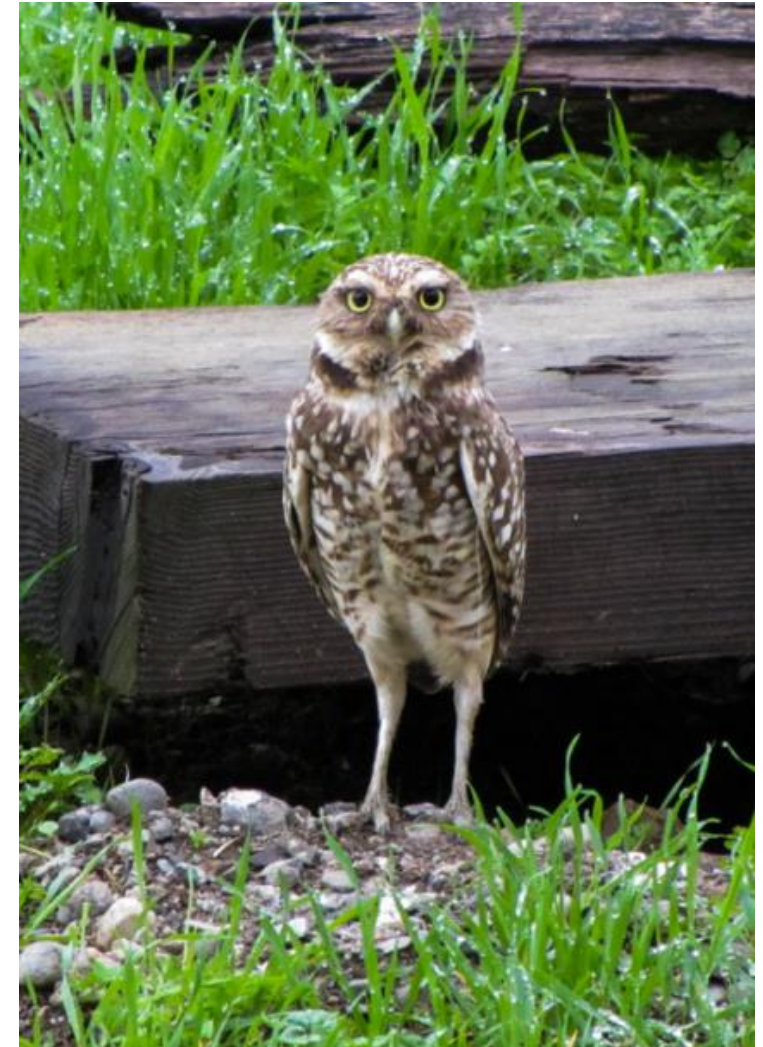
MCA Program is Fee Based

- MCA concept (optional)
- Framework (optional)
- MCA Application Review
- MCA Establishment
- MCA Implementation (per credit release, per site)
- MCA Simple Amendment
- MCA Complex Amendment



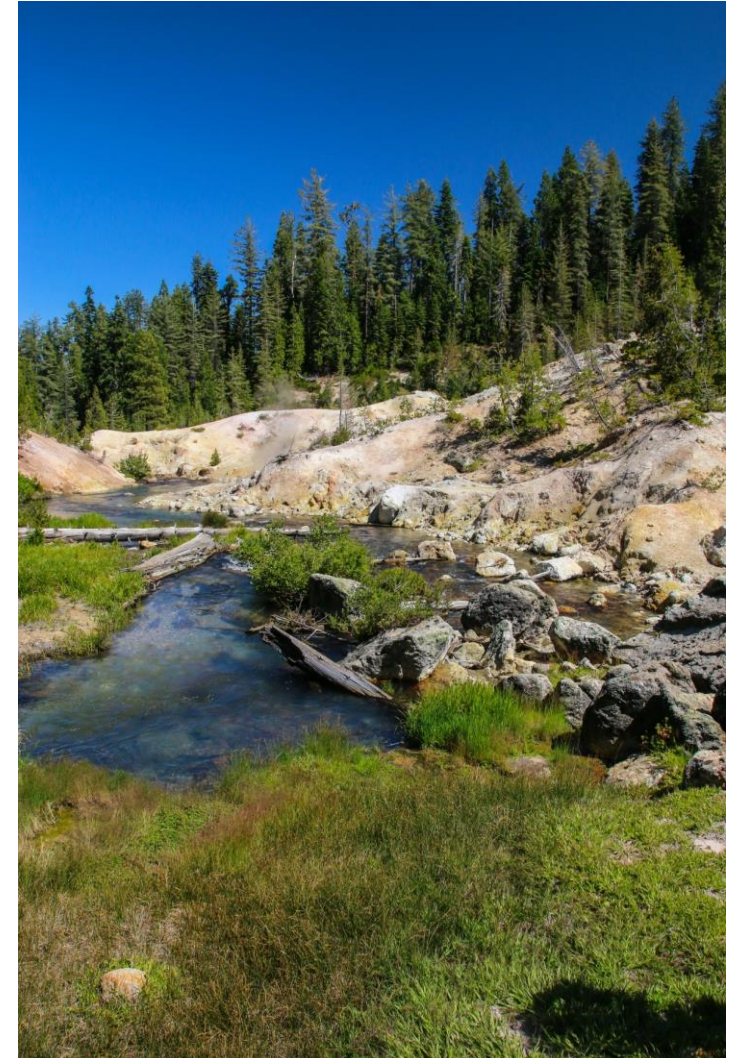
MCA Concept

- Brief concept-level proposal that is optional
- Allows CDFW to provide initial feedback on the adequacy of a particular site or proposed action.
- The MCA concept will be reviewed and evaluated by CDFW to determine feasibility




MCA Frameworks

- Framework allows for approval of MCA components prior to identifying MCA sites.
- Approved Frameworks can be used for multiple MCAs or MCAs with multiple sites.
- Framework Checklist




MCA Subprogram Website

Program Components




Regional Conservation Assessment (RCA)

Uses existing information to provide an assessment of the area's existing conditions. An RCA may



Regional Conservation Investment Strategy (RCIS)

Uses existing information to provide an assessment of the area's existing



Mitigation Credit Agreement (MCA)

An MCA is a flexible advance mitigation crediting mechanism developed under an approved RCIS. Anyone

Mitigation Credit Agreements (MCAs)



Regional Conservation Planning

On this page

- [MCA Overview](#)
- [MCA Resources](#)
- [MCAs In Development](#)

MCA Resources

The following templates, checklists, and websites relate to MCAs.

- [2023 RCIS Program Guidelines \(PDF\)](#)
- [MCA Template \(Word\)](#)

MCA Resources Online



GUIDELINES



MCA
TEMPLATE



MCA
CHECKLIST
&
FRAMEWORK
CHECKLIST



RCIS & MCA
FEES

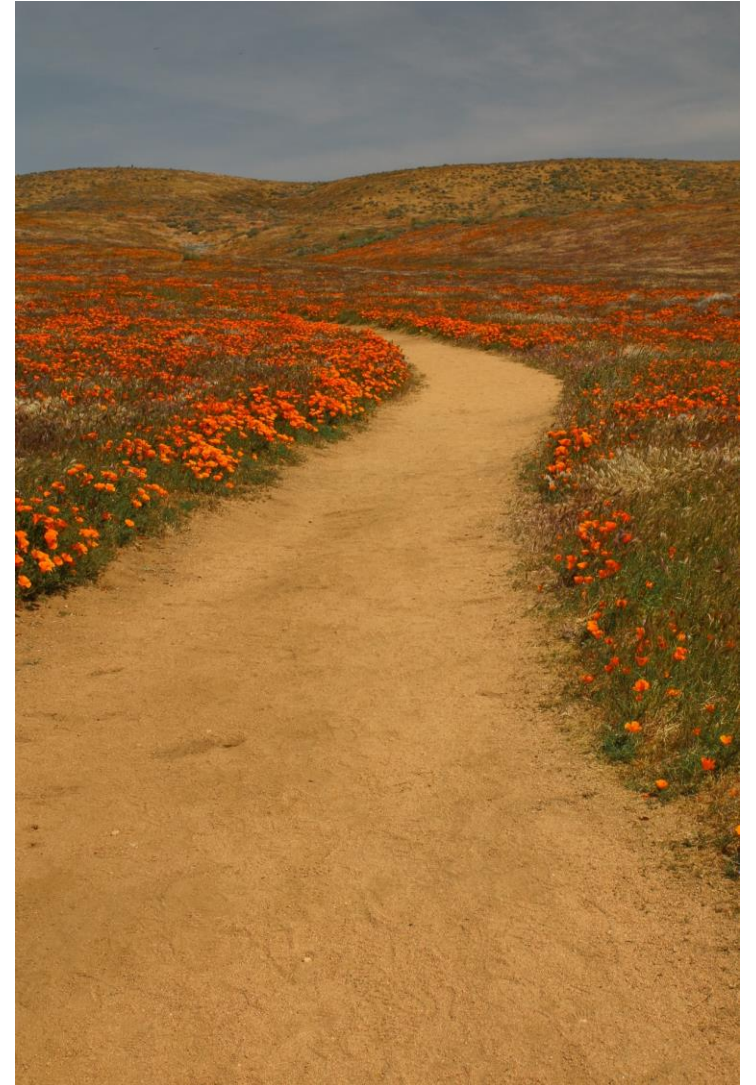
MCA Resources

The following templates, checklists, and websites relate to MCAs.

- [2023 RCIS Program Guidelines \(PDF\)](#)
- [MCA Template \(Word\)](#)
- [MCA Checklist \(PDF\)](#) - A list of components necessary for an MCA to be considered “complete.”
- [Framework Checklist \(PDF\)](#) - A list of minimum requirements for sponsors interested in preparing a mitigation framework.
- [MCA Credit Receipt Template \(Appendix W of the MCA\) \(PDF\)](#) - Required documentation for each credit transaction including sale, use, and return of MCA credits.
- [Land Survey Reference \(PDF\)](#) - Requirements for legal descriptions and boundary locations associated with proposed MCA sites.
- [Endowments and Mitigation Land Management \(Website\)](#) - Endowment holder criteria and requirements.
- [Mitigation Lands Entity Due Diligence \(Website\)](#) - CDFW review process for proposed land managers, and Conservation Easement grantees (if applicable) associated with the MCA.
- [CDFW's Template for Property Assessment Warranty \(PAW\) \(Word\)](#)*
- [Letter of Credit \(LOC\) Template\(Word\)](#)*

Program Next Steps

- Engaging with initial projects or frameworks to work through new concepts:
 - Durability Agreements
 - Non-permanent credits, etc.
- Working on incorporating acknowledging agencies
- Tracking and mapping system
- Continuous outreach
- Incorporating the Wildlife Connectivity Advance Mitigation Guidelines



Contact Information



For information on MCAs

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For information on RCISs

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<https://wildlife.ca.gov/Conservation/Planning/Regional-Conservation/MCAs>

Upcoming Webinars

- Today at 11:00 a.m. - 12:00 p.m.
 - [Connectivity Advance Mitigation \(CAM\)](#)
- October 15, 2024, 9:00 a.m. - 10:00 a.m.
 - [Regional Conservation Investment Strategies \(RCIS\)](#)



Questions?

- Meeting recording will now stop
- Please put your questions in the chat

