

COASTAL CONSERVANCY

Staff Recommendation
June 25, 2015

ARROYO BURRO WATERSHED ACQUISITION

Project No.15-009-10
Project Manager: Rachel Couch

RECOMMENDED ACTION: Consideration and authorization to disburse up to \$500,000 to the Trust for Public Land to acquire a 14.7 acre parcel in lower Arroyo Burro watershed, Santa Barbara County, California.

LOCATION: Santa Barbara, California

PROGRAM CATEGORY: Resource Enhancement

EXHIBITS

Exhibit 1: [Project Location Maps](#)

Exhibit 2: [Photos](#)

Exhibit 3: [Project Letters](#)

RESOLUTION AND FINDINGS:

Staff recommends that the State Coastal Conservancy adopt the following resolution pursuant to Sections 31251 *et seq.* of the Public Resources Code:

“The State Coastal Conservancy hereby authorizes the disbursement of up to five hundred thousand dollars (\$500,000) to the Trust for Public Land (“TPL”) to acquire Santa Barbara County Parcel Nos. 047-010-64 and 047-061-26, consisting of approximately 14.7 acres, for the purpose of preserving fish and wildlife habitat and open space, subject to the following conditions:

1. Prior to the disbursement of Conservancy funds, TPL shall submit for the review and approval of the Conservancy’s Executive Officer (“the Executive Officer”):
 - a. All title and acquisition documents including, but not limited to, the appraisal, purchase and sale agreement, escrow instructions, environmental and hazardous materials assessment, and title documents.
 - b. Evidence that sufficient funds are available to complete the acquisition.
 2. TPL shall pay no more than fair market value for any property acquired pursuant to this authorization, as established by an appraisal approved by the Executive Officer.
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3. All property interests acquired with these funds shall be permanently protected for public access, open space and habitat conservation in a manner acceptable to the Executive Officer and consistent with Public Resources Code Section 31116(b).
4. Conservancy funding shall be acknowledged by erecting and maintaining a sign on the property, the design and location of which has been approved by the Executive Officer.
5. TPL shall not convey any portion of or interest in the property acquired in whole or in part with funds provided under this authorization, without the Executive Officer's approval."

Staff further recommends that the Conservancy adopt the following findings:

"Based on the accompanying staff report and attached exhibits, the State Coastal Conservancy hereby finds that:

1. The proposed project is consistent with the current Project Selection Criteria and Guidelines.
2. The proposed authorization is consistent with the purposes and objectives of Chapter 6 of Division 21 of the Public Resources Code, regarding enhancement of coastal resources.
3. The Trust for Public Land is a nonprofit organization existing under Section 501(c)(3) of the Internal Revenue Code and whose purposes are consistent with the Conservancy's enabling legislation (Division 21 of the Public Resources Code)."

PROJECT SUMMARY:

Staff recommends that the Conservancy authorize the disbursement of up to \$500,000 to The Trust for Public Land ("TPL") to acquire in fee the approximately 14.7-acre Arroyo Burro Property (the "property"), a degraded but highly scenic and natural resource-rich property located within the lower Arroyo Burro watershed. Once acquired, TPL intends to convey the property to the City of Santa Barbara for ownership, restoration and long-term management purposes.

The property is one of the last large undeveloped properties abutting a creek within the Santa Barbara city limits. In addition, the site is the last remaining open space threatened with development in the Las Positas Valley (Exhibit 1). Acquisition will permanently protect riparian, wetland, and upland habitat associated with Arroyo Burro Creek that runs through the property, and eliminate the threat of residential development in the floodplain. The project is part of a larger ongoing effort by the Santa Barbara City and County to protect the Las Positas Valley and the Arroyo Burro Creek watershed. This local effort has resulted in the protection of 320-acres of adjacent lands to the east and south of the property as open space for habitat and passive recreation.

Acquisition of the property will also enable future restoration along the creek to improve riparian habitat function and water quality, and increase the resiliency of the lower watershed to drought cycles and more frequent or intense storms associated with a changing climate. Lower Arroyo Burro Creek Watershed has historically been impacted by poor water quality caused by urban runoff, erosion and sedimentation, and infestations of invasive species such as arundo donax. However, the lower watershed, and this property in particular, contains diverse habitats including riparian, oak woodland, and coastal sage scrub. Restoration of the riparian area by the City of

Santa Barbara is anticipated after the property is publicly acquired, which will protect and buffer the urbanized areas from the disastrous effects of flooding.

Finally, the southern end of the Las Positas Valley has historically been a destination area for locals and visitors alike with active and passive recreation available at these public parks: Elings Park, Arroyo Burro County Beach Park, and the Douglas Family Preserve. (See Exhibit 1 map). The acquisition of the property would allow the City to develop trails on the property that could help link Elings Park with the beach and the Douglas Family Preserve. The City's Public Works Department is analyzing the potential for a Class I/II bike path through the property and onto Alan Road that would allow safe public access to Arroyo Burro beach from Las Positas Road. If acquired, the property will connect to a network of parks and open space lands in the immediate vicinity totaling 320 acres.

Acquisition of the project site provides a time-sensitive opportunity. Over the past 15 years, the landowner has planned to build homes on the property; the current plan is a 23-home residential development. Preliminary review by the City indicates that the property is likely developable for residential use. During this time period, the local community in and around the Las Positas Valley has held differing views of the merits and impacts of the proposed residential development on the community and on sensitive ecological habitats along Arroyo Burro Creek. The acquisition and preservation of the property would finally resolve more than a decade's worth of effort by the City to respond to the landowner's site plan applications while at the same time address the community's concerns over the impact of development on sensitive habitat and open space resources.

TPL has a successful history as a Conservancy grantee and has partnered with the Conservancy many times to acquire property in the City and County of Santa Barbara for natural resource protection. It has helped acquire land for natural resource protection and open space preservation throughout California and is highly experienced at both negotiating land acquisitions and managing land. TPL has local experience with several organizations and agencies in Santa Barbara County and has helped protect nearly 10,000 acres there, including Ocean Meadows Golf Course, Romero Canyon, the Douglas Family Preserve, El Capitan Ranch, Sperling Preserve at Ellwood Mesa, Rancho Monte Alegre, the Preserve at San Marcos Foothills, Midland School Conservation Easement and Gaviota Village. (See also "Project History" section, below).

Site Description: The project site is one of several large open spaces in the Arroyo Burro watershed. The property is bounded on the north, west, and east by similar open space. A residential subdivision abuts the property to the south. Just south of this neighborhood is Cliff Drive, Arroyo Burro County Beach Park, and Arroyo Burro estuary, which empties into the Pacific Ocean. The property lies to the west of Las Positas Road. Very large expanses of coastal sage scrub-covered uplifted marine terraces, similar to those adjacent to the project site, are present on the east side of Las Positas Road at Elings Park.

The topography of the project site is relatively flat, with slopes along the western boundary ranging from 1 to 16%. The center of the site contains a network of informal trails. Habitat types found on the upland portions of the property include ruderal vegetation with scattered ornamental trees, and a large eucalyptus grove.

Arroyo Burro Creek is the second longest creek (7.5 miles) within the second largest and least urbanized watershed (5,630 acres) in the City of Santa Barbara. The creek traverses the east side of the property from north to south and is a perennial stream with year-round flow. The creek channel reach is 1,400 linear feet with deeply incised eroding banks that are up to 15 feet high in some places, and drops approximately 10 feet as it passes through the property. The creek corridor supports emergent wetland vegetation along with willow, coast live oak, and riparian woodland habitats, coastal sage scrub and chaparral habitats occur along its western boundary, and coyote brush scrub along its eastern boundary. The creek corridor also includes non-native weeds and ornamental plants including scattered palm trees. Riparian habitat along Arroyo Burro is well developed above and below the project site.

The creek corridor's dense riparian cover supports a higher diversity and abundance of wildlife species than upland habitats at the project site. The perennial flows in Arroyo Burro Creek provide important habitat for aquatic insects, invertebrates, amphibians, and fish in a semi-arid environment. The year-round flows also contribute to the high productivity of the habitats at the project site. In addition, the creek channel and adjacent terraces provide a corridor for aquatic species and wildlife to move between the lower and upper reaches of the watershed. The property is designated as critical habitat for Southern steelhead. In addition, two special status species are found on the property – southwestern pond turtle and the dusky-footed woodrat.

Project History: TPL approached the Conservancy about the acquisition of the property in mid-2013 when it became involved in the project after being approached by a local environmental attorney in early 2013. Controversial development plans for the property were put on hold that year, due to the lingering recession, and the landowner's illness. In 2014, the landowner submitted revised development plans to the City, this time with a 24-residence development accessible from Alan Road. City staff recommended removing one unit and supported consideration for approval of the 23-residence subdivision. Despite this, the landowner decided to continue negotiations with the TPL to sell the property for conservation purposes. TPL has a purchase agreement with the landowner valid until December 2015.

The purchase of this property realizes the goals of three previously-funded Conservancy projects: 1) Acquisition of the Douglas Family Preserve property for preservation as open space (with TPL); the property is within walking distance of the Douglas Family Preserve; 2) The daylighting and restoration of Mesa Creek, a tributary of Arroyo Burro, at the confluence near the estuary; the property is approximately ½ mile upstream from the Mesa Creek property; and 3) The renovation of the South Coast Watershed Resource Center (WRC), located at Arroyo Burro Beach, where the Arroyo Burro estuary meets the ocean; Arroyo Burro Beach is approximately ¾ mile from the property. The WRC is used for environmental education programs for elementary school children focused on ecology, water quality, and watershed protection and restoration.

PROJECT FINANCING

Coastal Conservancy	\$500,000
City of Santa Barbara	\$2,700,000
Natural Resources Agency Urban Greening Grant	\$500,000

Santa Barbara County Coastal Resource Enhancement Fund	\$300,000
Project Total	\$4,000,000

The expected source of Conservancy funds for this project is an appropriation to the Conservancy from the Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Act of 2000 (Proposition 12, Public Resources Code Section 5096.352). Proposition 12 funds may be used for projects that are consistent with Division 21 of the Public Resources Code and involve the acquisition from a willing seller, preservation, restoration, or enhancement of real property in coastal areas and watersheds or the development of public use facilities. Public Resources Code Section 5096.352(c)(3) directs that a portion of Proposition 12 funds be used by the Conservancy specifically for projects in Santa Cruz, Monterey, San Luis Obispo, and Santa Barbara Counties. Consistent with Proposition 12, the proposed project consists of acquisition from a willing seller of real property in a coastal watershed area pursuant to Chapter 6 of Division 21 of the Public Resources Code for purposes enhancement and protection of coastal resources at the project site.

TPL is contributing to acquisition costs, including staff time, appraisals, fundraising, managing all due diligence and providing legal expertise to successfully close escrow on the project and convey fee title to the City of Santa Barbara. The cash value of this contribution is estimated at \$36,500.

CONSISTENCY WITH CONSERVANCY’S ENABLING LEGISLATION:

The proposed project is undertaken pursuant to Sections 31251-270 of the Public Resources Code (Chapter 6 of Division 21), as described below.

Pursuant to Section 31251, the Conservancy may award grants to nonprofit organizations for the purpose of enhancement of coastal resources that, because of natural or human-induced events have suffered loss of natural and scenic values. Grants under this chapter are to be utilized for, among other purposes, the assembly of parcels of land within coastal resource enhancement areas to improve resource management. The proposed project would prevent further development of or degradation to the property, and is adjacent to City-owned open space parcels and in close proximity to approximately 320 acres of publicly accessible open space.

Consistent with Section 31252, the Arroyo Burro Creek watershed is identified in the City of Santa Barbara Local Coastal Plan as requiring public action to resolve existing or potential resource protection problems. See “Consistency with Local Coastal Program Policies” section, below.

Pursuant to Section 31253, the Conservancy may provide up to the total cost of any coastal resource enhancement project. Consistent with Section 31253, the following factors were considered in determining the amount of Conservancy funding for this project: the total amount of funding available for coastal resource enhancement projects, the fiscal resources of the applicant, the urgency of the project, and the Conservancy’s project selection criteria, as described in detail below, under the heading “Consistency With Conservancy’s Project Selection Criteria & Guidelines.” The Conservancy’s funds for the property acquisition constitute less than 13 percent of the purchase price.

**CONSISTENCY WITH CONSERVANCY'S 2013
STRATEGIC PLAN GOAL(S) & OBJECTIVE(S):**

Consistent with **Goal 4, Objective A** of the Conservancy's 2013-2018 Strategic Plan, the proposed project will protect 14.7 acres of significant coastal and watershed resource property to add to a larger publicly accessible open space.

Consistent with **Goal 5, Objective D**, acquisition of the property will preserve coastal watershed and floodplain areas.

**CONSISTENCY WITH CONSERVANCY'S
PROJECT SELECTION CRITERIA & GUIDELINES:**

The proposed project is consistent with the Conservancy's Project Selection Criteria and Guidelines, last updated on October 2, 2014, in the following respects:

Required Criteria

1. **Promotion of the Conservancy's statutory programs and purposes:** See the "Consistency with Conservancy's Enabling Legislation" section above.
2. **Consistency with purposes of the funding source:** See the "Project Financing" section above.
3. **Promotion and implementation of state plans and policies:** By acquiring and eventually restoring the historic floodplain of the subject property the project serves to promote and implement several state plans including:
 - *California @ 50 Million: The Environmental Goals and Policy Report* (Governor's Office of Planning and Research, 2013 Draft). Key Action #3 of the "Preserve and Steward State Lands and Natural Resources" calls for building resilience in natural systems and specifically calls out the need for well-maintained watersheds and floodplains.
 - *CA Climate Adaptation Strategy/Safeguarding California: Reducing Climate Risk Plan* (CA Natural Resources Agency, July 2014). The plan identifies "Actions Needed to Safeguard Biodiversity and Habitats" including #1: Improve habitat connectivity and protect climate refugia. The acquisition will add to the effort to preserve natural resource habitats in the watersheds draining to the Pacific Ocean.
 - *California Water Action Plan* (California Natural Resources Agency, 2014). Goal #4, "Protect and Restore Important Ecosystems", identifies protection of coastal watersheds as a priority action.
 - *CA Wildlife Action Plan* (California State Department of Fish and Game (now Fish and Wildlife), 2005). The project will further the following statewide recommended actions: d) State and federal agencies should work with cities and counties to secure sensitive habitats and key habitat linkages; g) Federal, state, and local agencies and nongovernmental conservation organizations,

working with private landowners and public land managers, should expand efforts to restore and conserve riparian communities. In addition, recommended actions for the marine region include: d) the state should increase efforts to restore coastal watersheds.

4. **Support of the public:** The project is supported by U.S. Congresswoman Lois Capps, the Environmental Defense Center, Santa Barbara Audubon, Santa Barbara Urban Creeks Council, the Sierra Club Los Padres Chapter, Santa Barbara Channel Keeper, Elings Park Foundation, and Explore Ecology. See Project Letters, Exhibit 4.
5. **Location:** The proposed project would be located within the coastal zone of the City of Santa Barbara.
6. **Need:** The proposed project represents a unique opportunity to move quickly to acquire the property, which only recently became available for purchase. Conservancy funds are needed to complete the acquisition and will substantially leverage other fund sources.
7. **Greater-than-local interest:** If acquired, the property will connect visitors and locals alike to a network of public parks and open space lands in the immediate vicinity totaling approximately 320 acres. Acquisition of the property would also enable opportunities for additional trails, a bike path, habitat restoration, and expanded environmental education. Increasing public access to this network of parks will also encourage public access to the California Coastal Trail, which runs along the shoreline of most of Santa Barbara's south coast. Santa Barbara receives approximately 5.5 million visitors per year, many of whom take advantage of the many coastal recreational opportunities.
8. **Sea level rise vulnerability:** The property floodplain sits at an elevation of 40 feet at the southern section, with the creek bottom at approximately 30 feet. Due to the lower elevation of the property, the site could be impacted by sea level rise. With rising high tides, water in Arroyo Burro Estuary could back up northwards through Arroyo Burro Creek, which could inundate the lowest lying area of the subject property.

Additional Criteria

9. **Urgency:** The landowner has made known his intention to proceed with plans to develop the property for residential use if this public acquisition does not go forward. The landowner has only recently agreed to sell the property for public use and this may be the public's only opportunity to acquire the site.
10. **Leverage:** See the "Project Financing" section, above.
11. **Realization of prior Conservancy goals:** See "Project History", above.
12. **Cooperation:** The project entails cooperation among TPL, a private non-profit organization, and City of Santa Barbara, the County, the California Natural Resources Agency, and several local non-profit groups.
13. **Vulnerability from climate change impacts other than sea level rise:** The project site is in a lower reach of the relatively large and steep Arroyo Burro Creek watershed, and contains 1,400 linear feet of the creek and surrounding floodplain, so the property could be affected by flooding and erosion resulting from an increase in the frequency of storms anticipated

with ongoing climate change. Severe coastal flood events as well as sea level rise will impact the project site, as well as all other sites within the flooding zone of influence. However, protecting and restoring riparian areas and wetlands, particularly those adjacent to other coastal restored areas is essential in buffering urban areas from the disastrous effects of flooding. Future riparian corridor trails would be designed to accommodate sea level rise predictions for the site.

14. **Minimization of greenhouse gas emissions:** Removing the threat of development on the property will also reduce the consumption of natural resources and energy that would otherwise occur with construction of residences on the property, including the energy used to maintain and access those homes. Permanent protection and restoration portions of the property will further increase its capacity to mitigate climate change impacts by enhancing the capacity of the site to sequester carbon and contribute to improved air quality.

CONSISTENCY WITH LOCAL COASTAL PROGRAM POLICIES:

The City of Santa Barbara's Local Coastal Plan (LCP), amended in 2004, addresses the protection of biotic, riparian, and marine resources, as well as water quality of the City's coastal zone creeks. LCP Creek Guidelines Policy 6.1 states that the City shall "protect, preserve, and where feasible restore the biotic communities designated in the City's Conservation Element of the General Plan...consistent with Public Resources Code Section 30240" and, LCP Policy 6.8 states that "the riparian resources, biological productivity, and water quality of the City's coastal zone creeks shall be maintained, preserved, enhanced and, where feasible, restored." The proposed acquisition is consistent with these policies in that the biotic and water resources on the property will be protected and preserved.

COMPLIANCE WITH CEQA:

Acquisition of the property by TPL will preserve the Arroyo Burro watershed property for habitat and open space, and thus the acquisition is categorically exempt from the California Environmental Quality Act under 14 Cal. Code of Regulations Section 15313 because the acquisition will preserve fish and wildlife habitat, access to public lands and waters in order to preserve the land in its natural condition; and also under Section 15325 because it is a transfer of an interest in land to preserve open space for park purposes and habitat, and, in particular, to allow restoration of natural conditions, including plant or animal habitats. Upon approval, staff will file a Notice of Exemption for the project.