

COASTAL CONSERVANCY

Staff Recommendation
June 1, 2023

WARREN RANCH CONSERVATION EASEMENT ACQUISITION

Project No. 23-015-01
Project Manager: Timothy Duff

RECOMMENDED ACTION: Authorization to disburse up to \$910,000 to the Land Conservancy of San Luis Obispo County to acquire a conservation easement over the 736-acre Warren Ranch located in the upper San Simeon and Santa Rosa Creek watersheds to protect natural resources, water quality, anadromous fish habitat, wildlife habitat, scenic open space, and compatible agriculture including cattle grazing within these coastal watersheds.

LOCATION: Upper San Simeon and Santa Rosa Creek watersheds, San Luis Obispo County

EXHIBITS

- Exhibit 1: [Project Maps](#)
Exhibit 2: [Project Photos](#)
Exhibit 3: [Project Letters](#)
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RESOLUTION AND FINDINGS

Staff recommends that the State Coastal Conservancy adopt the following resolution and findings.

Resolution:

The State Coastal Conservancy hereby authorizes a grant of an amount not to exceed nine hundred and ten thousand dollars (\$910,000) to the Land Conservancy of San Luis Obispo County (“the grantee”) to acquire a conservation easement over the 736-acre Warren Ranch located in the upper San Simeon and Santa Rosa Creek watersheds to protect natural resources, water quality, anadromous fish habitat, wildlife habitat, scenic open space, and compatible agriculture including cattle grazing within these coastal watersheds, subject to the following conditions:

1. Prior to the disbursement of funds for the acquisition, the grantee shall submit for the review and approval of the Executive Officer of the Conservancy (Executive Officer):

- a. All relevant acquisition documents for the acquisition including, without limitation, the appraisal, purchase and sale agreement, conservation easement, escrow instructions, environmental or hazardous materials assessment, and title report;
 - b. A baseline conditions report; and
 - c. Evidence that sufficient funds are available to complete the acquisition.
2. The grantee shall pay no more than fair market value for the conservation easement, as established in an appraisal approved by the Executive Officer.
 3. The easement interest acquired under this authorization shall be managed and operated to protect natural resources, water quality, anadromous fish habitat, wildlife habitat, open space, and compatible agriculture including cattle grazing. The property shall be permanently dedicated to those purposes by an appropriate instrument approved by the Executive Officer.
 4. Conservancy funding shall be acknowledged by erecting and maintaining a sign on the property or in a nearby publicly-viewable area, the design and location of which are to be approved by the Executive Officer.

Findings:

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

1. The proposed authorization is consistent with Chapter 5.5 of Division 21 of the Public Resources Code, regarding integrated coastal and marine resource protection.
2. The proposed project is consistent with the current Conservancy Project Selection Criteria.
3. The Land Conservancy of San Luis Obispo County is a nonprofit organization organized under section 501(c)(3) of the U.S. Internal Revenue Code.

STAFF RECOMMENDATION

PROJECT SUMMARY:

Staff recommends the Conservancy authorize a grant of up to \$910,000 to the Land Conservancy of San Luis Obispo County to acquire a conservation easement over the 736-acre Warren Ranch located in the upper San Simeon and Santa Rosa Creek watersheds to protect natural resources, water quality, anadromous fish habitat, wildlife habitat, open space, and compatible agriculture including cattle grazing within these coastal watersheds (Exhibit 1).

In recent decades agricultural and residential development near the town of Cambria has strained water supplies, impacted water quality, and threatened critical anadromous fish habitat. Located in the watersheds above Cambria that drain to the Monterey Bay National Marine Sanctuary, the proposed conservation easement will protect in-stream flows and limit future water demand by prohibiting subdivision of the property and limiting residential development to one existing residence and one future residence. Under current San Luis

Obispo County zoning, up to 12 single-family residences could be developed on the ranch's six legal parcels. In addition to restricting future residential development of the ranch to one additional residence, the easement will protect water quality and benefit fish habitat for South-Central California Coast Steelhead present in both coastal watersheds by prohibiting high intensity agriculture, such as vineyards, orchards, and other intensive types of agriculture that would cause soil erosion and increase sedimentation downstream. Agricultural uses on the property will be restricted to low-intensity livestock grazing and other agricultural uses that do not impair the conservation values of the property. Development of agricultural support facilities such as fencing, corrals, and water distribution systems for livestock will be allowed. Agricultural infrastructure development will be limited in scale and restricted to permitted practices.

Beyond protecting water resources and aquatic habitat, the proposed conservation easement will also enhance regional climate resilience and adaptation by permanently protecting diverse, climate-resilient habitat near the intersection of three important wildlife corridors extending from Carrizo Plain National Monument to southern Big Sur, including six Wilderness Areas (See Exhibit 1, page 3). Conserving lands that connect to nearby protected properties is essential to ensuring that species displaced by climate change can move freely between habitats.

By prohibiting land uses that have the potential to disturb cultural resources the easement will serve to protect these resources. Conservancy staff sent consultation letters to tribes in the region and two expressed support for protecting natural and cultural resources on the property. One of the two tribes (yak tityu tityu - Northern Chumash Tribe) submitted a letter of support (Exhibit 3).

Site Description: The 736-acre Warren Ranch is located in the hills of the southern Santa Lucia Range above Cambria in northern San Luis Obispo County and zoned for agricultural uses (Exhibit 1). A small residence, dirt roads, livestock grazing support facilities including a water tank, corral, fencing, and water troughs comprise the limited development on the property. The property borders Santa Rosa Creek and the south fork of San Simeon Creek and features a rich ecosystem structure supporting threatened species including South-Central California Coast Steelhead and California red-legged frog. 75% of the property (555 acres) lies within the San Simeon Creek watershed with the remaining 25% (181 acres) located within the Santa Rosa Creek watershed. Multiple streams on the ranch form a portion of the headwaters of Santa Rosa Creek.

The topography and natural land cover of the property is diverse. Elevations range from 250 feet above sea level near Santa Rosa Creek Road to 1,960 feet near the northeast corner of the property. Numerous habitat types are found at different elevations across the property. Land cover along riparian corridors at lower elevations and along north facing hillsides are predominantly comprised of dense coast live oak and bay laurel woodland. Coastal sage scrub can be found along south facing slopes at middle elevations, while the highest elevations and interior valleys of the property are largely covered in annual grasslands. The various vegetation communities thrive alongside the low-impact agricultural use of the property. Much of the woodland, riparian, and sage scrub habitats remain untouched by land uses of any kind.

Grant Applicant Qualifications: The Land Conservancy of San Luis Obispo County has had an outstanding record working with the Conservancy over the past three decades on acquisition and restoration projects. The LCSLO has extensive experience owning and managing conservation properties and their established easement monitoring program will ensure the Warren Ranch will be protected in perpetuity for the benefit of both humans and wildlife.

CONSISTENCY WITH CONSERVANCY'S PROJECT SELECTION CRITERIA:

The proposed project is consistent with the Conservancy's Project Selection Criteria, last updated on September 23, 2021, in the following respects:

Selection Criteria

1. Extent to which the project helps the Conservancy accomplish the objectives in the Strategic Plan.

See the "Consistency with Conservancy's Strategic Plan" section below.

2. Project is a good investment of state resources.

The proposed project to acquire a conservation easement over the 736-acre Warren Ranch Property is a good investment of state resources because it will contribute to meeting the state's biodiversity goals as outlined in the Strategic Land Acquisition section of the Governor's 30 x 30 Executive Order. The project will protect state- and federally-listed species including South-Central California Coast Steelhead and California red-legged frog. The project has the support of local and state agencies and legislators (Exhibit 3).

3. Project benefits will be sustainable or resilient over the project lifespan.

The proposed project will permanently protect the property from development, and enhance regional climate resilience and adaptation by permanently protecting diverse, climate-resilient habitat near the intersection of three important wildlife corridors extending from Carrizo Plain National Monument to southern Big Sur, including six Wilderness Areas. The project will deliver long-term benefits, including carbon sequestration by preserving oak woodlands and reducing greenhouse gas emissions.

4. Project delivers multiple benefits and significant positive impact.

The proposed project will deliver multiple benefits including permanently protecting the property from development, thereby protecting three wildlife corridors extending from Carrizo Plain National Monument to southern Big Sur and habitats for threatened and sensitive species. The project will improve climate resilience and adaptation by permanently protecting diverse, climate-resilient habitats. The project also supports the San Luis Obispo County's agricultural economy by ensuring continued ranching operations rather than residential development.

5. Project planned with meaningful community engagement and broad community support.

The project has broad community support including from the Cambria Community Services District and the yak tityu tityu - Northern Chumash Tribe. See letters of support in Exhibit 3. The California Department of Fish and Wildlife has recognized the importance of land protection in

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the region with their approval of the 2018 Adelaida Conceptual Area Protection Plan. The Warren Ranch is located near the center of this region. Since 2018, the Land Conservancy has protected 14,000 acres of agricultural and open space lands in this region with state, local, and private support.

PROJECT FINANCING

Coastal Conservancy	\$910,000
Strategic Growth Council/Department of Conservation	<u>\$1,100,000</u>
Project Total	\$2,010,000

Conservancy funds are anticipated to come from the FY 2022/23 appropriation from the General Fund to the Conservancy for the purpose of climate resilience (The Budget Act of 2022, SB 154). These funds are available as described in Section 52 of Chapter 258 of the Statutes of 2021, which sets forth a detailed description of the purposes of the climate resilience funds, including projects that protect coastal watersheds and increase the resilience of coastal ecosystems to climate change impacts. The proposed project is consistent with this funding source as it will permanently protect 736 acres of a coastal watershed, including an important wildlife corridor, and it contains diverse habitat types that will facilitate climate migration of native species.

The project has been awarded \$1,100,000 in funding through the Strategic Growth Council’s Sustainable Agricultural Lands Conservation Program (SALC) administered by the California Department of Conservation. The SALC program funds acquisition projects to protect agricultural lands from conversion and development in order to prevent and reduce greenhouse gas emissions associated with increased development.

The grantee will be providing in-kind services monitoring the conservation easement in perpetuity; the value of these services is estimated to be \$55,900.

Unless specifically identified as “Required Match,” funding and in-kind services described above are estimates. The Conservancy does not typically require matching funds or in-kind services, nor does it require documentation of expenditures from other funders or of in-kind services. Typical grant conditions require grantees to provide any funds needed to complete a project.

CONSISTENCY WITH CONSERVANCY’S ENABLING LEGISLATION:

Conservancy participation in the proposed project is consistent with Chapter 5.5, Integrated Coastal and Marine Resources Protection (Section 31220) of the Conservancy’s enabling legislation, Division 21 of the Public Resources Code. Section 31220(a) authorizes the Conservancy to undertake a project or award grants for coastal watershed projects that meet one or more criteria of Section 31220(b). Consistent with Section 31120(b)(2), the proposed project will achieve the following objectives: protect fish and wildlife habitat within coastal

watersheds and coastal waters (Section 31120(b)(2)); reduce unnatural erosion and sedimentation of a coastal watershed) by preventing future land uses that could contribute to unnatural watershed erosion and sedimentation (Section 31120(b)(4)); and protect coastal watershed lands draining to sensitive coastal or marine areas (Section 31120(b)(6)).

Consistent with §31220(a), staff has consulted with the State Water Resources Control Board in the development of the project to ensure consistency with Chapter 3 (commencing with §30915) of Division 20.4 of the Public Resources Code, the purpose of which is to restore the water quality and environment of coastal waters, estuaries, bays, and nearshore waters.

Consistent with §31220(c), the project is consistent with local watershed management plans and water quality control plans adopted by the State Water Resources Control Board and Regional Water Quality Control Boards (see the “Consistency with Local Watershed Management Plan/State Water Quality Control Plan” section below), and has a monitoring and evaluation component included in the project.

CONSISTENCY WITH CONSERVANCY’S [2023-2027 STRATEGIC PLAN](#) GOAL(S) & OBJECTIVE(S):

Consistent with **Goal 3.1 Conserve Land**, the proposed project would protect 736 acres of land identified in regionally led and scientifically based planning efforts to protect high quality resources and increase habitat.

Consistent with **Goal 3.3 Working Lands**, the proposed project would protect working ranch lands.

CONSISTENCY WITH LOCAL WATERSHED MANAGEMENT PLAN/STATE WATER QUALITY CONTROL PLAN:

Projects undertaken pursuant to Chapter 5.5 of Public Resources Code Division 21 (Section 31220) must be consistent with local watershed management plans, if available, and with water quality control plans, adopted by the state and regional water boards. Acquisition of the conservation easement furthers the San Luis Obispo County Integrated Regional Water Management Plan, Ecosystem and Watershed Goal, Objective 2, to preserve, enhance, restore, and conserve riparian corridors and natural creek and river systems through wetland restoration, natural floodplains, riparian buffers, conservation easements, and other mechanisms. Acquiring the proposed easement in the Santa Rosa and San Simeon watersheds is consistent with this objective. The project is consistent with the Water Quality Control Plan for the Central Coast Basin (2016), and specifically addresses the following beneficial use objectives: wildlife habitat, estuarine habitat, freshwater replenishment, ground water recharge, agricultural supply, and rare, threatened, or endangered species. Acquiring the proposed easement located in the Santa Rosa Creek and San Simeon Creek watersheds is consistent with the objectives in these plans.

COMPLIANCE WITH CEQA:

The proposed easement acquisition is categorically exempt from the California Environmental Quality Act (CEQA) pursuant to Title 14 of the California Code of Regulations Section 15325 because it is a transfer of ownership of interests in land in order to preserve open space and existing natural conditions and to allow continued agriculture.

Staff will file a Notice of Exemption upon Conservancy approval of the proposed project.