

COASTAL CONSERVANCY

Staff Recommendation
March 2, 2006

SUNNY BRAE COMMUNITY FOREST ACQUISITION

File No. 06-002
Project Manager: Moira McEnespy

RECOMMENDED ACTION: Authorization to disburse up to \$357,500 to the City of Arcata towards acquisition of the approximately 175-acre Sunny Brae timberland property above the City of Arcata in Humboldt County.

LOCATION: Grotzman and Beith Creeks watersheds southeast of the City of Arcata, Humboldt County (Exhibits 1-3)

PROGRAM CATEGORY: Integrated Coastal and Marine Resources Protection

EXHIBITS

- Exhibit 1: Project Location Map
 - Exhibit 2: Acquisition Site Map
 - Exhibit 3: Arcata Forests and Watersheds Map
 - Exhibit 4: Arcata Baylands Enhancement Map
 - Exhibit 5: Letters of Support
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RESOLUTION AND FINDINGS:

Staff recommends that the State Coastal Conservancy adopt the following resolution pursuant to Sections 31000 *et seq.* of the Public Resources Code:

“The State Coastal Conservancy hereby authorizes disbursement of an amount not to exceed three hundred fifty-seven thousand five hundred dollars (\$357,500) to the City of Arcata (“the City”) towards acquisition of the Sunny Brae property, approximately 175 acres of forested property in the Grotzman and Beith Creeks watersheds of Humboldt County (Humboldt County Assessor Parcel Nos. 500-032-03, 500-101-04, 500-101-09, 500-132-26), for the purposes of preventing fragmentation of forestlands; preserving open space; protecting, restoring and enhancing water quality and salmonid habitat; improving forest structure and increasing natural diversity; and providing public access where appropriate. These funds may be used directly towards the acquisition or as reimbursement to the General Fund for approved tax credits provided to the seller under the Natural Heritage Preservation Tax Credit Act of 2000 in exchange for the

seller's donation of the property to the City. This authorization is subject to the following conditions:

1. Prior to the disbursement of Conservancy funds for acquisition, the City shall:
 - a. Submit for the review and approval of the Executive Officer of the Conservancy ("the Executive Officer"):
 - i. All relevant acquisition documents, including but not limited to an appraisal, environmental assessments, agreement of purchase and sale, easements, escrow instructions, and documents related to title.
 - ii. Evidence that the City has obtained all funds necessary to complete the acquisition.
 - b. Enter into an agreement or other instrument acceptable to the Executive Officer requiring periodic payment to the Conservancy of excess future timber revenues generated by the property, in an amount roughly proportionate to the Conservancy's contribution. At the request of the Executive Officer, the instrument shall be recorded.
2. The City shall pay no more than fair market value for the Sunny Brae property as established in an appraisal approved by the Executive Officer.
3. The City shall permanently dedicate the Sunny Brae property in a manner acceptable to the Executive Officer for the purposes of preventing fragmentation of forestlands; preserving open space; protecting, restoring and enhancing water quality and salmonid habitat; improving forest structure and increasing natural diversity; and providing public access where appropriate.
4. The City shall acknowledge Conservancy funding by erecting and maintaining on the Sunny Brae property a sign that has been reviewed and approved by the Executive Officer.
5. The City shall amend its existing forest management and non-industrial timber management plans to include the Sunny Brae property, and submit these amended plans for approval by the Executive Officer within a reasonable time after acquiring the property, but no later than December 31, 2007. The plans shall include, among other things, descriptions of specific lands and reserve areas, an explanation of how indicators of ecosystem health and forest productivity will be monitored and evaluated, and an explanation of educational and outreach programs that will be implemented regarding sustainably managing redwood forests. The plans shall be updated periodically, and the updates submitted for approval by the Executive Officer."

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 Chapter 5.5 of Division 21 of the Public Resources Code (Section 31220) regarding integrated coastal and marine resources protection.
2. The proposed project is consistent with the Project Selection Criteria and Guidelines adopted by the Conservancy on January 24, 2001.
3. A portion of the Sunny Brae property is available for acquisition by donation under the Natural Heritage Preservation Tax Credit Act ("the Act"); and the proposed acquisition appears to

comply with the requirements of the applicable portions of the intended funding source, Proposition 50, “The Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002,” as well as with the requirements of the Act.

PROJECT SUMMARY:

The proposed authorization would help the City of Arcata acquire from Sierra Pacific Industries the Sunny Brae property, approximately 175 acres in the Grotzman and Beith Creeks watersheds above the City of Arcata (see Exhibits 1-3), for the purposes of preventing fragmentation of forestlands; preserving open space; protecting, restoring and enhancing water quality and salmonid habitat; improving forest structure and increasing natural diversity; and providing public access where appropriate.

Although Sierra Pacific Industries has an approved Timber Harvest Plan for Sunny Brae and intended to log the property in 2006, under the proposed authorization, the City would instead manage the Sunny Brae property as a community forest. The City has experience managing the nearby 1,984-acre Arcata Community Forest and 1,151-acre Jacoby Creek Forest (see Exhibit 3) according to the following mission statement provisions, and will amend its existing forest management and non-industrial timber management plans to include the Sunny Brae forest property:

- Maintain biological and physical elements of the forests, specifically wildlife, aquatic and plant species, plant and animal communities, and watershed processes;
- Apply forest stewardship, which includes timber harvest, that maintains forest integrity while generating public benefits and that is fully supported by the community;
- Promote community and visitor enjoyment of the forest and recreation in a respectful manner;
- Extend public land ownership to include watersheds, headwater areas, and corridors to neighboring communities;
- Foster research and other academic studies, allowing the forests to serve as outdoor laboratories for schools and universities;
- Create a model, nationally and internationally, of managed redwood forests while striving for resource protection, revenue generation and opportunities for public enjoyment.

Consistent with these goals, the City will conduct low-intensity forest thinning to obtain late seral habitat, remove invasive plants, decommission roads, address erosion, keep up to 40% of the property in reserves (unharvested areas, except as needed selectively for enhancement), and obtain Forest Stewardship Council¹ certification (which it has already obtained for the Arcata Community and Jacoby Creek Forests). Acquisition of the Sunny Brae property will thus permanently preserve forestlands, help to protect the water quality of Humboldt Bay and salmonid-

¹ The Forest Stewardship Council (FSC) was formed largely in response to sustainable forestry discussions at the 1992 Earth Summit in Rio, and has since developed widely-known and accepted standards of “sustainable forestry.” FSC certification is a voluntary, market-driven process through which forest managers can gain recognition for ecologically, socially, and economically exemplary forestry. FSC has developed principles and criteria for forest management that address legal issues, indigenous rights, labor rights, multiple benefits, and environmental impacts surrounding forest management. In addition, approved regional standards are applied “above and beyond” the principles and criteria, specific to the forest types found in the U.S. FSC’s Pacific Coast standards are applicable to the proposed Sunny Brae Community Forest project.

bearing streams, and expand the recreational and educational opportunities for residents and visitors.

The Sunny Brae Forest's Grotzman and Beith Creeks drain to Humboldt Bay via Gannon Slough and the Jacoby Creek complex, both of which support populations of coho salmon, steelhead trout and coastal cutthroat trout in their lower reaches; in fact, Jacoby Creek is Humboldt Bay's third-largest salmonid tributary. The Conservancy assisted the City in acquiring a majority of these "Arcata Baylands" in the lower and adjacent watersheds, which encompass over 300 acres, and has recently received a U.S. Fish and Wildlife Service National Coastal Wetlands grant to conduct further acquisition in and enhancement of the area. Various other entities (including the Wildlife Conservation Board, the California Department of Fish and Game, the National Fish and Wildlife Foundation, the Pacific States Marine Fisheries Commission, and others) have supported public acquisition and enhancement in these and nearby baylands as well. See Exhibit 4. Because the City will not log the Sunny Brae Forest at the levels Sierra Pacific Industries would have, a significant amount of sediment will be prevented from entering the property's watercourses, and streamside buffer areas will be increased and enhanced. Thus acquisition of the Sunny Brae Forest will build on and enhance existing Conservancy and other conservation efforts by contributing to the protection of water quality and salmonid habitat.

In addition to preventing fragmentation of forestlands, acquisition and management of the Sunny Brae property as a community forest by the City will be consistent with existing planning efforts, discussed later in this report:

- The California Department of Fish and Game's (DFG's) *Recovery Strategy for California Coho Salmon* (February 2004).
- The Conservation Fund's *Conservation Prospects for the North Coast: A Review and Analysis of Existing Conservation Plans, Land Use Trends and Strategies for Conservation on the North Coast of California* (August 2005). This report is appropriate because it is a synthesis of existing major north coast conservation plans.

The Trust for Public Land (TPL) has had an ongoing relationship with Sierra Pacific Industries since the early 1990s. In late 2001, Sierra Pacific Industries approached TPL and the City of Arcata about sale of the Sunny Brae property, and by early 2002 had reached an agreement with TPL for the property's acquisition by the City. As part of the transfer, Sierra Pacific Industries intends to donate one of the four property parcels to the City of Arcata under the Natural Heritage Preservation Tax Credit Act, a state statutory program administered by the Wildlife Conservation Board (WCB). Under that program, a landowner offers to donate a property interest with natural values to a public entity or nonprofit organization. If the application is approved, the landowner donates the property and may claim a state income tax credit for 55 percent of the approved appraised fair market value of the property. In this case, the Conservancy's \$357,500 contribution would secure a value of \$650,000 through the tax-credit program.

WCB is expected to hold a hearing on the Sunny Brae tax-credit application in May 2006, and must find that the proposed donation would meet at least one of several selection criteria under Public Resources Code Section 37015. The criteria under this section appear to be met, as the Sunny Brae acquisition would, consistent with subsection 37015(a), benefit recovery of several federally- and state-listed species, and provide value as a habitat and wildlife corridor; consistent with subsection 37015(b), provide corridors and reserves that will help protect native species and stream corridors; and consistent with subsection 37015(3), secure public open space. The acqui-

sition may also be consistent with subsection 37015(c), as it would preserve productive timberland in perpetuity. If WCB approves/accepts the donation, the Conservancy's funds will be encumbered to reimburse the State General Fund for the cost of the tax credits, once claimed by the seller. If WCB does not accept the donation, the Conservancy's funds will instead be granted directly to the City towards the cost of the property, and TPL will work to secure any needed remaining acquisition funds.

Once the fee interest in the property has been acquired, the City expects to donate a conservation easement over it to the California Department of Forestry. The conservation easement will provide a further layer of protection to the property and its natural values.

The Conservancy has worked successfully with the City of Arcata on previous conservation projects, most notably the acquisition and enhancement of much of the adjacent baylands including the areas around Jacoby Creek, Gannon Slough, McDaniel Slough, and the internationally-known Arcata Marsh. The City also has experience owning and managing nearby community forests, the Arcata Community Forest and the Jacoby Creek Forest.

Site Description: Zoned for “timber production,” the Sunny Brae Forest consists mainly of young-growth redwood (about 80%) with some Douglas fir, grand fir and sitka spruce. Stands of tan oak, madrone, red alder and big leaf maple are also present, and the understory contains numerous species of shrubs and grasses (e.g., huckleberries, sword fern). It is believed that most of the property has not been logged for over 50 years, although some timber was removed from a PG&E right-of-way in the late 1990s.

The terrain is gently sloping to moderately steep, and elevation ranges from about 160 feet above sea level along Grotzman Creek in the northwest to about 925 feet near the southeast corner. Remnants of old logging roads remain, though in fair to poor condition; roads would need to be reconstructed in order to harvest timber again.

Runoff from the Sunny Brae Forest ultimately drains to Humboldt Bay via the Jacoby Creek complex, which is listed by the State Water Resources Control Board (SWRCB) as having impaired and/or threat of impaired water quality by sediment in accordance with Section 303(d) of the federal Clean Water Act (see the “Consistency with Local Watershed Management Plan/State Water Quality Control Plan” discussion below).

The forest, creeks, and streams within the Sunny Brae property serve as critical habitat for a variety of species, many of them federally- or state-listed rare, threatened, endangered, and/or species of special concern. Several listed species that are known to or may exist on the property include steelhead trout (*Oncorhynchus mykiss*), coho salmon (*Oncorhynchus kisutch*), tidewater goby (*Eucyclogobius newberryi*), northern spotted owl (*Strix occidentalis caurina*), bald eagle (*Haliaeetus leucocephalus*), southern torrent salamander (*Rhyacotriton variegatus*), northern red-legged frog (*Rana aurora aurora*), Del Norte salamander (*Plethodon elongatus*), foothill yellow-legged frog (*Rana boylei*), coastal cutthroat trout (*Oncorhynchus clarkii clarkii*), osprey (*Pandion haliaetus*), Cooper’s hawk (*Accipiter cooperii*), sharp-shinned hawk (*Accipiter striatus*), Pacific fisher (*Martes pennanti*), red tree vole (*Arborimus longicaudus*), and the “Fully Protected” ring-tailed cat (*Bassaris astutus*). In addition, the snags and cavities of the redwoods, firs, and spruce provide nesting or roosting habitat for a variety of bird species including hairy woodpecker, pileated woodpecker, northern spotted owl, chestnut backed chickadee, red-breasted nuthatch, screech owl, pygmy owl, violet-green swallow, Vaux’s swift, brown creeper, Douglas squirrel, and several species of bats. Species that nest or roost at the top of snags include

red-tailed hawk, raven, and osprey. Common species found in the canopy are primarily insect eaters and include orange-crowned warblers, Swainson's thrush, winter wrens, olive-sided flycatcher, red-breasted nuthatch, chestnut-backed chickadee, red tree vole and northern flying squirrel. The property also contains habitat suitable for nesting rookeries for great blue heron (*Ardea herodias*), nesting and roosting habitat for great egret (*Casmerodius albus*), breeding habitat for sharp-shinned hawk and nesting habitat for bald eagle. Finally, the following California Native Plant Society-listed plants that would benefit from the acquisition include running pine (*Lycopodium clavatum*), Indian-pipe (*Monotropa uniflora*), small ground cone (*Boschniakia hookeri*) and twayblade (*Listera cordata* var. *cordata*).

Project History: The Conservancy has already invested substantial funds in the protection of the baylands lower in the watershed and in adjacent watersheds, providing funds toward acquisition, restoration and enhancement. See Exhibit 4.

PROJECT FINANCING:

TPL has negotiated to purchase the Sunny Brae Forest from Sierra Pacific Industries for \$2,700,000 by June 30, 2006. Sierra Pacific Industries has agreed to take advantage of the Wildlife Conservation Board's (WCB's) Natural Heritage Preservation Tax Credit Program for one parcel of the property, which is valued at \$650,000. The Coastal Conservancy's contribution of \$357,500 is expected to reimburse the State General Fund for the approved tax credits. If the tax credits are not approved, then the Conservancy funds will contribute directly to the acquisition cost. In either case, TPL and the City of Arcata are committed to raising the remaining funds needed to purchase the parcels in fee. The proposed funding breakdown, a mix of public and private funds, is as follows:

Coastal Conservancy value (through tax credits)	\$650,000
(actual cost to Conservancy: \$357,500)	
Forest Legacy Funds	1,300,000
Caltrans EEM Program	375,000
City of Arcata	55,000
Private Foundations	200,000
Local and Community Funds	<u>120,000</u>
Total Project Cost	\$2,700,000

The proposed source of Conservancy funds for this authorization is a 2004 appropriation to the Conservancy from Proposition 50, "The Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002." These funds are allocated to the Conservancy for the purpose of protecting coastal watersheds through projects undertaken pursuant to the Conservancy's enabling legislation (Division 21 of the Public Resources Code), including acquisition, protection and restoration of land and water resources.

The proposed project is consistent with the Conservancy's enabling legislation, as discussed in the "Consistency with Conservancy's enabling legislation" section of this report, below, and with applicable adopted local watershed management plans and the applicable regional water quality control plan adopted by the North Coast Regional Water Quality Control Board (RWQCB), as discussed in the "Consistency With Local Watershed Management Plan/State Water Quality Control Plan" section of this report, below. The proposed authorization is thus consistent with Proposition 50. The Conservancy's allocation of Proposition 50 funds can be used to reimburse

the General Fund under the Natural Heritage Preservation Tax Credit Act, pursuant to Public Resources Code Section 37032(c)(10).

The proposed project also provides the potential for future revenue generation for the Conservancy. The amount and timing of revenues would be dependent on the rate and timing of harvest, and the management needs of the property.

CONSISTENCY WITH CONSERVANCY'S ENABLING LEGISLATION:

The proposed project is consistent with Chapter 5.5 of the Conservancy's enabling legislation (Public Resources Code Section 31220) in the following respects:

Section 31220(a) authorizes the Conservancy to award grants for coastal watershed, habitat, and water quality protection and restoration. Consistent with this section, the Conservancy proposes to award a grant to TPL to acquire property within a coastal watershed for the purposes of preventing fragmentation of forestlands; protecting, restoring and enhancing water quality and salmonid habitat; and improving forest structure and increasing natural diversity. Another acquisition purpose is to provide for public access compatible with resource protection and restoration objectives.

Consistent with subsection 31220(b)(1), the proposed project will implement land use practices that will reduce contamination of waters within the coastal zone, most notably sediment for which the downstream Jacoby Creek is listed by the State Water Resources Control Board (SWRCB) as impaired and/or threatened impaired. Consistent with subsection (b)(2), the proposed project will implement land use practices that protect and restore fish (namely coho and other salmonids) and wildlife habitat within a coastal watershed. Consistent with subsection (b)(3), the proposed project will reduce threats to coastal and marine fish (again, coho and other salmonids) and wildlife, largely through reducing temperature in and sediment to Beith, Grotzman, and Jacoby Creeks. Consistent with subsection (b)(4), the proposed project will reduce unnatural erosion and sedimentation of a coastal watershed (that would be caused by currently permitted levels of timber harvest). Consistent with subsection (b)(6), the proposed project will acquire, protect and restore watershed lands draining to sensitive coastal wetlands, riparian areas, floodplains and marine areas (in this case, Humboldt Bay). Consistent with subsection (b)(8), the proposed project will provide for public access compatible with resource protection and restoration objectives, as well as with public safety.

In accordance with Subsection 31220(c), the proposed project is consistent with the Integrated Watershed Management Program established under Public Resources Code Section 30947, local watershed management plans, and water quality control plans adopted by the SWRCB. Please see the discussion in the "Consistency with local watershed management plan/state water quality control plan" section of this report, below. Also in accordance with Section 31220(c), the proposed project will contain a monitoring and evaluation component, consistent with its management as a community forest. Conservancy staff is also consulting with the State Water Resources Control Board to ensure consistency with Chapter 3 (commencing with Section 30915) of Division 20.4 of the Public Resources Code.

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

Consistent with **Goal 4 Objective A**, the proposed project will contribute 175 acres toward the goal of acquiring 67,000 acres of properties of special significance. Consistent with the **Goal 4 Statewide Strategy**, the project will “acquire fee title...on resource lands that (1) connect existing public lands to provide larger contiguous blocks of habitat and wildlife corridors [the Sunny Brae Forest is just south of the existing Arcata Community Forest], (2) support regional plans on endangered species [e.g., the CDFG Coho Recovery Strategy], and (3) preserve...open space, especially near urban areas [in this case, the City of Arcata].” Consistent with **Goal 5 Objective A**, the proposed project will preserve, restore and enhance 175 acres of coastal habitats including stream corridors and redwood forest. Consistent with **Goal 6 Objectives A and B**, the proposed project is one that will preserve and restore coastal watersheds and improve water quality to benefit coastal resources. Consistent with the **Goal 6 Statewide Strategy**, the proposed project will “(1) help anadromous fish [e.g., coho], (2) implement state non-point source water pollution control plans [although the Jacoby Creek “total maximum daily load” action plan process for sediment is not yet started, the proposed project will nevertheless prevent sediment that would enter the Jacoby Creek complex under currently-permitted harvest levels], or (3) further endangered species recovery plans or affect significant coastal resources [the proposed project is consistent with the CDFG’s Coho Recovery Strategy].”

CONSISTENCY WITH CONSERVANCY'S PROJECT SELECTION CRITERIA & GUIDELINES:

The proposed project is consistent with the Conservancy's Project Selection Criteria and Guidelines adopted January 24, 2001, 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. **Support of the public:** This project has the support of Senator Wes Chesbro, Assembly-member Patty Berg, the Redwood Forest Foundation, Inc. and others. Letters of support are included in Exhibit 5.
4. **Location:** Lands constituting the proposed acquisition drain through the Jacoby Creek coastal watershed complex to Humboldt Bay. The Eureka Plain, which contains the Jacoby Creek watershed, has been identified by DFG as a refugia watershed for coho salmon, a coastal resource.
5. **Need:** Conservancy support is crucial to the completion of this project, as no other State agency has been identified as able to be the sponsoring State agency under WCB’s Natural Heritage Preservation Tax Credit Program within the time required to complete this transaction.

6. **Greater-than-local interest:** Conversion of commercial timberland to other uses is an increasing issue throughout the north coast region. The proposed acquisition will ensure that an additional 175 acres in a coastal watershed susceptible to fragmentation for other uses will be kept as a community forest.

Additional Criteria

7. **Urgency:** TPL must complete this transaction, including landowner participation in WCB's Natural Heritage Preservation Tax Credit Program, by June 2006. If funding is not approved for this project, it is likely that the property will be logged in accordance with the already-approved Timber Harvest Plan, thus adding sediment to the sensitive watershed lands that drain to Humboldt Bay, and then split into parcels and sold off piecemeal, resulting in the permanent loss of forest land.
12. **Readiness:** The proposed acquisition is expected to be completed by June 2006.
13. **Realization of prior Conservancy goals:** See the "Project History" section, above.
14. **Return to Conservancy:** See the "Project Financing" section, above.

CONSISTENCY WITH LOCAL COASTAL PROGRAM POLICIES:

The proposed Sunny Brae Forest acquisition is consistent with the Humboldt Bay Area Plan of the Humboldt County Local Coastal Program (certified by the California Coastal Commission on October 14, 1982), Section 3.23 regarding "Timberlands," in that the project will protect the long-term productivity of the Sunny Brae Forest's soils and timberlands by preserving the property as forestland in perpetuity and managing harvest according to FSC certification standards.

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

Under Public Resources Code Section 31220 (c), projects funded under Chapter 5.5 of Division 21, the Conservancy's enabling legislation), must be consistent with the Integrated Watershed Management Program established pursuant to PRC Section 30947 and local watershed management plans, "if available and relevant to the project." In addition, under Proposition 50, the "Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002," watershed protection activities must be consistent with the "applicable adopted local watershed management plan and the applicable regional water quality control plan adopted by the regional water quality control board" Water Code Sections 79507; see also section 79570(a)). The proposed project is consistent with relevant plans and programs, as described below.

Applicable Regional Water Quality Control Plan. Mandated by both the Federal Clean Water Act and the State Porter-Cologne Water Quality Act, water quality control plans (basin plans) designate beneficial uses of water bodies and identify water quality objectives to ensure reasonable protection of beneficial uses. The beneficial uses, water quality objectives and anti-degradation policies, together, constitute water quality standards. In 1988, the North Coast Regional Water Quality Control Board (RWQCB) synthesized a single *Water Quality Control Plan for the North Coast Region (Basin Plan)*. This Basin Plan is the applicable regional water quality control plan pursuant to Proposition 50.

Section 303(d) of the Clean Water Act requires states to identify waters that do not meet applicable water quality standards that are largely contained in the Basin Plans. The Jacoby Creek watershed is on the section 303(d) list due to impairment and/or threat of impairment to water quality by sediment. Although the U.S. Environmental Protection Agency (EPA) has not yet started to establish the Jacoby Creek TMDL (action plan called “total maximum daily load”) for sediment, the RWQCB in November 2004 adopted the TMDL Implementation Policy for Sediment Impaired Receiving Waters in the North Coast Region (TMDL Implementation Policy, adopted in lieu of amending the Basin Plan to add TMDL implementation strategies), which addresses all sediment-impaired water bodies in the North Coast region.

The TMDL Implementation Policy resolves to “enhance non-regulatory actions with organizations and individuals to encourage sediment waste discharge control, watershed restoration and protection activities” (Resolution 1F) and “strongly encourages all landowners within the North Coast Region that are currently discharging or threatening to discharge sediment waste to work to control discharges” (Resolution 2). In the proposed project, the City of Arcata will voluntarily reduce current timber harvest volumes, increase buffers along watercourses, and plan for and eventually implement site restoration activities that will significantly reduce sediment discharges into the Jacoby Creek watershed. The proposed project is thus consistent with the TMDL Implementation Policy and the Basin Plan.

Integrated Watershed Management Program established pursuant to PRC Section 30947. The *North Coast Integrated Regional Water Management Plan, Phase I (NCIRWMP*, prepared by *Circuit Rider Productions, July 2005*) was developed pursuant to PRC Section 30947 (but is not intended to be adopted by the RWQCB). The NCIRWMP identifies six primary integrated water management objectives for the North Coast region, relevant at both the local and regional scale, of which the following two apply to the proposed project: (1) “Conserve and enhance native salmonid populations by protecting and restoring required habitats, water quality and watershed processes;” and (2) “Support implementation of TMDLs, the North Coast RWQCB’s Watershed Management Initiative (WMI) and the Nonpoint Source Program Plan.” As discussed immediately below, the proposed project is consistent with applicable objectives of the NCIRWMP, and thus with the Integrated Watershed Management Program.

Conservation and Enhancement of Native Salmonid Populations. The proposed project will significantly prevent sediment discharges into the Jacoby Creek complex and Humboldt Bay, will enhance riparian habitat which will result in decreased temperature and thus enhanced salmonid habitat, and will plan for and implement site restoration activities.

Support Implementation of TMDLs. As discussed under the “Applicable Regional Water Quality Control Plan,” above, the proposed project supports the TMDL Implementation Policy.

Support the North Coast RWQCB Watershed Management Initiative. A key component of the SWRCB’s and the nine RWQCB’s 2001 Strategic Plan² is a watershed management approach. The Watershed Management Initiative (WMI) is intended to support the Strategic Plan to address the Strategic Plan goal that surface waters be safe to support healthy ecosystems and other beneficial uses. The North Coast RWQCB has developed a *WMI Chapter (February 2005)*,

² The Strategic Plan is a continuing agency-wide planning process that articulates the goals, strategies, objectives, and performance measures used to guide ongoing decision-making and help ensure that the mission of the State and Regional Boards is accomplished.

a document that identifies regional watersheds, prioritizes water quality issues, and develops watershed management strategies. The WMI Chapter is strictly a regional planning document; it is not intended to be adopted by the RWQCB, nor is it a regulatory document. Among the highest-priority activities identified in the WMI Chapter are increasing emphasis on nonpoint source pollution issues (including forestry), especially as they affect salmonid resources, and developing and implementing TMDL strategies (mostly sediment and temperature associated with salmonid resource declines). With regard to the Humboldt Bay watershed, which includes Jacoby, Beith and Grotzman Creeks, the WMI Chapter in Section 2.4 identifies two of the primary water quality issues to be salmonid habitat degradation and sedimentation of streams, and references the beneficial uses established in the Basin Plan, specifically those associated with anadromous fishes and protection of cold water fisheries. Under its implementation strategy, the WMI Chapter references the *State Water Quality Control Policy for the Enclosed Bays and Estuaries of California (adopted by the SWRCB November 1995)*, which lays out the principle that nonpoint sources of pollutants shall be controlled to the maximum practicable extent. The implementation strategy goes on to explain that the general emphasis in Humboldt Bay is to increase coordination and education/outreach, especially regarding erosion control and sedimentation, increase assessment activities, and maintain a “watchful eye” on continued high priority forestry related activities. The proposed project consists of managing the Sunny Brae Forest as a community forest, which will greatly control sedimentation due to harvest, increase education and outreach about erosion control and sedimentation, and include forest assessment and monitoring activities. The proposed project will thus be consistent with the WMI, specifically the North Coast Chapter.

Support the California Nonpoint Source Pollution Control Program. The Plan for California's Nonpoint Source Pollution Control Program (NPS Program Plan) provides a single, unified, coordinated statewide approach to dealing with NPS pollution. The *Plan for California's Non-point Source Pollution Control Program (SWRCB and California Coastal Commission (CCC), January 2000)* and the *Five-Year Implementation Plan for July 2003 through June 2008 (SWRCB and CCC in coordination with the Nonpoint Source Interagency Coordination Committee, December 2003)* establish forestry category management measures to address the various phases of forest operations that can cause pollution of State waters. These management measures are to be implemented or required by the various State agencies. The City of Arcata, which will ultimately own and manage the Sunny Brae Forest, expects not only to meet all applicable forest regulations (e.g., the State's Forest Practice Rules, which are promulgated by the State Board of Forestry and Fire Protection and administered by the California Department of Forestry and Fire Protection), but to. The proposed project is thus consistent with the California Nonpoint Source Pollution Control Program.

Local Watershed Management Plans. The *Humboldt Bay Watershed Enhancement Plan (Redwood Community Action Agency, January 2005)* contains priority riparian restoration projects for the Jacoby Creek watershed, a strategy for designing a sediment budget for the watershed draining to Humboldt Bay, and a Humboldt Bay Watershed Salmon and Steelhead Conservation Plan. In the proposed project, the City of Arcata will conduct a number of activities that will reduce sediment into the Beith, Grotzman and Jacoby Creek watersheds and Humboldt Bay, and enhance salmonid habitat. Specifically, the City will voluntarily greatly reduce currently-permitted timber harvest volumes on the Sunny Brae Forest, increase buffers along watercourses, design reserves, and plan for and eventually implement site restoration activities. These reduced sedi-

ment levels can be factored into a Humboldt Bay sediment budget. The proposed project is thus consistent with this local watershed management plan.

CONSISTENCY WITH OTHER PLANNING EFFORTS:

- The California Department of Fish and Game's (DFG's) *Recovery Strategy for California Coho Salmon* (February 2004) identifies the Eureka Plain Hydrological Unit, which contains Jacoby Creek, as a "refugia" watershed for coho because it has consistent coho presence (greater than 50%), as a watershed in which risk of coho extinction is "high," as a watershed with "high" restoration potential, and as watershed that is a top priority for restoration. The plan recommends in its range-wide sediment recommendations, Section 7.5, identifying and prioritizing specific sediment source locations for treatment that may deliver sediment to coho salmon streams (recommendation RW-VI-A-02). The plan recommends in its range-wide water temperature recommendations, Section 7.6, identifying and implementing actions to maintain and restore water temperatures to meet habitat requirements for coho salmon in specific streams (recommendation RW-X-B-01). The plan recommends in its range-wide land use recommendations, Section 7.15, encouraging continued economically sustainable management of forest lands in the range of coho salmon to reduce the potential for conversion to residential or commercial development (recommendation RW-XXV-B-04) and acquiring land in fee title from willing landowners to protect coho salmon (recommendation RW-XXV-C-01). The plan recommends in its watershed recommendations, Section 8.1.10, maintaining open space lands, such as forestlands, for water retention and limiting the addition of impervious surfaces (recommendation EP-HU-06w). The proposed acquisition is consistent with these recommendations.
- The Conservation Fund's *Conservation Prospects for the North Coast: A Review and Analysis of Existing Conservation Plans, Land Use Trends and Strategies for Conservation on the North Coast of California* (August 2005) synthesizes existing major north coast conservation plans, and is thus a relevant reference. This plan identifies as a site-specific action recommendation for the Eureka Plain Hydrologic Unit to ensure that wetland and wildlife values are protected as development occurs, particularly in the Jacoby Creek drainage. The proposed project will protect wetland and wildlife values in the Jacoby Creek drainage by preventing sedimentation that would have occurred under the currently-approved logging levels. The proposed project is thus consistent with this plan.

COMPLIANCE WITH CEQA:

The acquisition of the Sunny Brae Forest property is categorically exempt from review under the California Environmental Quality Act (CEQA) pursuant to 14 Cal. Code of Regulations Section 15325, which exempts transfer of ownership of interests in land in order to preserve open space and habitat; and Section 15313, which exempts transfer of ownership to preserve wildlife habitat. Upon Conservancy approval of the proposed authorization, staff will file a Notice of Exemption.