
COASTAL CONSERVANCY

Staff Recommendation
May 05, 2020

HOBO ALISO RIDGE PROPERTY ANALYSIS RECORD

Project No. 20-12-01
Project Manager: Megan Cooper

RECOMMENDED ACTION: Authorization to disburse up to \$15,000 to the Center for Natural Lands Management to complete a Property Analysis Record (PAR) for the Hobo Aliso Ridge property in Laguna Beach, Orange County.

LOCATION: Laguna Beach, Orange County

PROGRAM CATEGORY: Resource Enhancement

EXHIBITS

- Exhibit 1: [Project Location Maps](#)
Exhibit 2: [Offer to Dedicate \(2010\) and Preemptive Purchase Rights \(2011\)](#)
Exhibit 3: [Project Letters](#)
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RESOLUTION AND FINDINGS:

Staff recommends that the State Coastal Conservancy adopt the following resolution pursuant to Sections 31251 - 31270 of the Public Resources Code:

"The State Coastal Conservancy hereby authorizes the disbursement of an amount not to exceed fifteen thousand dollars (\$15,000) to the Center for Natural Lands Management ("the grantee") to complete a Property Analysis Record (PAR) for the Hobo Aliso Ridge property in Laguna Beach, Orange County."

Prior to commencement of the project, the grantee shall submit for the review and written approval of the Executive Officer of the Conservancy (Executive Officer) the following:

1. A detailed work program, schedule, and budget.
2. Names and qualifications of any contractors to be retained in carrying out the project.

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 authorization is consistent with Chapter 6 of Division 21 of the Public Resources Code, regarding Coastal Resource Enhancement.
 2. The proposed project is consistent with the current Conservancy Project Selection Criteria and Guidelines.
 3. The Center for Natural Lands Management is a nonprofit organization organized under section 501(c)(3) of the U.S. Internal Revenue Code.”
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PROJECT SUMMARY:

Staff recommends that the Conservancy authorize the disbursement of up to fifteen thousand dollars (\$15,000) to the Center for Natural Lands Management (“CNLM”) to conduct a Property Analysis Record (PAR) of the Hobo Aliso Ridge property in Laguna Beach. The PAR will provide an objective and comprehensive estimate for the perpetual stewardship costs of the property to assist with the eventual transfer of the land to a long-term conservation land manager.

Hobo Aliso Ridge is owned by Driftwood Properties, LLC. The property is currently protected by an Open Space Conservation and Public Access Easement held by the Conservancy (Exhibit 2). Advocates for conservation of this property, most notably the local Sierra Club chapter, are searching for an appropriate conservation entity to assume fee title ownership and perpetual stewardship of the property. Because of decades-long protection efforts by the Sierra Club and others, violations by the property owner of the Coastal Act, and negligible opportunity to develop the property, the current owner is interested in selling the property. CNLM has expressed an interest in fee title ownership and/or long-term management of the property, but they require a PAR to assist them in determining whether it is feasible for CNLM to take on the costs of long-term stewardship. The PAR analysis will result in a management outline to provide a basis for the cost analysis and to serve as a guide for stewardship activities. The PAR report provides the cost breakdown and calculation of endowment needs. The PAR will help facilitate transfer of the land to either CNLM or another conservation owner by enabling potential landowners to understand the long-term needs and costs of managing the property.

CNLM’s experience with protecting and managing properties with substantial conservation value led to CNLM identifying the need to determine the costs for protecting and managing these resources. Ideally, such costs are determined in advance of acquisition, and a funding source (endowment) is established that can provide sufficient income, in perpetuity, to provide appropriate stewardship. With variables that include protected species, habitat type and condition, current and ongoing threats or influences, and property size and dimensions, the cost of effective stewardship requires detailed property-specific evaluation.

In the early 1990s, shortly after being founded, CNLM developed software and a due diligence process that provide a structure for detailed and objective determination of perpetual

stewardship costs of a specific property. Called “PAR” (for Property Analysis Record), the software prompts provision of detailed information on the acquisition transaction, conservation values and stewardship tasks, and unit costs of items and services involved in providing stewardship. The stewardship services and costs are necessarily influenced by the intended land manager and their business model. The PAR software then calculates the average annual stewardship costs. Using financial parameters provided by the user, that average annual cost is also parlayed into a perpetual stewardship amount (endowment). The PAR report or product provides a detailed and transparent justification for the stewardship endowment, allowing discussion and revision or negotiation, as appropriate, among the interested parties. The report serves as a perpetual record of the factors affecting stewardship cost determination.

Site Description: The property is approximately 75 acres of open space within the City limits of Laguna Beach, Orange County and has considerable natural and public access value. The habitat on the property includes pristine southern maritime chaparral and coastal sage scrub. Federal- and state-threatened big-leaved crownbeard (*Verbesina dissita*), federally-threatened coastal California gnatcatcher (*Poliophtila californica californica*), and rufous-crowned sparrow (*Aimophila ruficeps*) have been documented on the site.

Grantee Qualifications: CNLM plays a vital role in the conservation community, with a mission to protect sensitive biological resources through professional, science-based stewardship of conservation lands in perpetuity. They manage 83 preserves throughout California, ranging in size from 30 acres to 26,000 acres, and are accredited by the national Land Trust Accreditation Commission. CNLM has performed hundreds of PARs for properties throughout California since the program was created in the 1990s.

Project History: In 2010 the Conservancy accepted an offer to dedicate (OTD) an open space and public access easement over the Hobo Aliso Ridge property (previously known as Driftwood) (Exhibit 2). At the time that the Conservancy accepted the OTD, Conservancy and Coastal Commission staff expected that fee title ownership of the property would transfer to the City of Laguna Beach. Since that time the City has decided not to accept ownership of the property and the current owners are seeking an entity to accept ownership and management of the land. Pursuant to a Cease and Desist Restoration Order issued by the Coastal Commission in 2010 that resulted from violations on the property, the owner of the property agreed to grant the Conservancy preemptive purchase rights in 2011 (Exhibit 2). The preemptive purchase rights give the Conservancy the right of first refusal to purchase the property. Local stakeholders and the Coastal Commission are actively working to find an appropriate entity to acquire the property.

PROJECT FINANCING

Coastal Conservancy	\$15,000
Project Total	\$15,000

The expected fund source for this project is the FY 19/20 appropriation to the Conservancy from the Violation Remediation Account (VRA) of the Coastal Conservancy Fund. VRA funds are derived from Coastal Commission enforcement actions (administrative as well as judicial) arising from violations of the California Coastal Act, Public Resources Code Sections 30000 - 30900. According to Public Resources Code Section 30823, funds in the VRA are available for carrying out the provisions of the Coastal Act. The proposed project is consistent with the resource protection policies of Chapter 3 of the Coastal Act section 30240, which calls for the protection of environmentally sensitive habitat areas against any significant disruption of habitat values. The proposed project will protect the property's sensitive resources by helping to facilitate acquisition for resource protection.

Use of VRA funds are guided by a Memorandum of Understanding between the Coastal Commission and the Conservancy, which requires that the Conservancy consult with Commission staff on proposed projects. The Coastal Commission has agreed use of VRA funds derived from the Driftwood Properties violation (#V-5-05-031) is appropriate for this project.

CONSISTENCY WITH CONSERVANCY'S ENABLING LEGISLATION:

The proposed project is consistent with Chapter 6 of Division 21 of the Public Resources Code, regarding Coastal Resource Enhancement.

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 or incompatible land uses have suffered loss of natural and scenic values. Grants under this chapter are to be utilized for the assembly of parcels of land within coastal resource enhancement areas to improve resource management. Consistent with Section 31251, the proposed project will help assemble parcels of land within a coastal resource enhancement area that has been impacted by improper human use. The project will assist with the purchase of property that was illegally impacted by human activities.

Section 31252 requires that all areas proposed for resource enhancement by a nonprofit organization be identified in a certified local coastal plan as requiring public action to resolve existing or potential resource protection problems. The proposed project is consistent with the City of Laguna Beach Local Coastal Program as described in the Consistency with Local Coastal Program Policies below.

Section 31253 authorizes the Conservancy to provide up to the total cost of any coastal resource enhancement. This project is the first step in evaluating the acquisition of Hobo Ridge and other sources of funding may be sought for acquisition of the property.

CONSISTENCY WITH CONSERVANCY'S [2018-2022 STRATEGIC PLAN](#) GOAL(S) & OBJECTIVE(S):

Consistent with **Goal 5, Objective A** of the Conservancy's 2018-2022 Strategic Plan, the proposed project will help protect a significant coastal property.

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:** This project is consistent with the Orange County Natural Communities Conservation Plan (NCCP) by providing planning to help protect open space and wildlife corridors in the county.
4. **Support of the public:** The local Sierra Club chapter was instrumental in the protection of the property from development and the continued stewardship of the property and its natural resources. The Sierra Club, the City of Laguna Beach, and the Coastal Commission are supportive of this project (Exhibit 3).
5. **Location:** The proposed project would be located within the coastal zone of the City of Laguna Beach
6. **Need:** CNLM and project supporters do not have other funds to complete this PAR analysis, which is a critical first step in transferring the property.
7. **Greater-than-local interest:** The State is invested in the long-term management of the property because the Conservancy accepted a conservation easement to protect the property in perpetuity.
8. **Sea level rise vulnerability:** The project site is on a hillside and is well outside areas vulnerable to sea-level rise.

Additional Criteria

9. **Conflict resolution:** The local Sierra Club chapter and other stakeholders have long hoped that this property would be transferred from the current owner to a local government or land trust. Facilitating the transfer of the property will help to alleviate the conflicts that have occurred between local environmentalists and the current landowner.

CONSISTENCY WITH LOCAL COASTAL PROGRAM POLICIES:

Consistent with the City of Laguna Beach's Local Coastal Program (certified in 1993), the project will help to implement the following policies: 8A – Protect the canyon wilderness throughout the City; 8C – Identify and maintain wildlife habitat areas in their natural state; 8L – Preserve

and protect fish and wildlife populations for future generations; and 8M – Preserve a continuous open space corridor within the hillsides in order to maintain wildlife migration opportunities.

CEQA COMPLIANCE:

The proposed Project consists of planning and design activities, including data collection and research and as such is statutorily exempt from the California Environmental Quality Act (CEQA) pursuant to 14 Cal. Code of Regulations Sections 15262 (feasibility or planning studies for possible future actions) and categorically exempt pursuant to Section 15306 (basic data collection, research, experimental management and resource evaluation activities which do not result in a serious or major disturbance to an environmental resource).

Upon approval of the project, Conservancy staff will file a Notice of Exemption.