

COASTAL CONSERVANCY

Staff Recommendation
September 23, 2021

ATTIYEH RANCH CONSERVATION EASEMENTS

Project No. 21-053-01
Project Manager: Timothy Duff

RECOMMENDED ACTION: Authorization to disburse up to \$825,000 to the Land Conservancy of San Luis Obispo County for the acquisition of three conservation easements on the 7,681-acre Attiyeh Ranch in northern San Luis Obispo County.

LOCATION: Lake Nacimiento, Salinas River watershed, northern San Luis Obispo County.

EXHIBITS

- Exhibit 1: [Project Location Maps](#)
 - Exhibit 2: [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 eight hundred twenty-five thousand dollars (\$825,000) to the Land Conservancy of San Luis Obispo County (LCSLO) to acquire three conservation easements on the 7,681-acre Attiyeh Ranch in San Luis Obispo County, 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.

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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 easements acquired under this authorization shall be managed and operated for purposes of habitat protection, preservation of agriculture and open space, and protection of water supply and water quality. The property shall be permanently dedicated to those purposes by an appropriate instrument approved by the Executive Officer.
4. Conservancy and Prop. 1 funding shall be acknowledged in a plan 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 resources protection.
2. The proposed project is consistent with the current Conservancy Project Selection Criteria and Guidelines.

STAFF RECOMMENDATION

PROJECT SUMMARY:

Staff recommends that the Conservancy provide an \$825,000 grant to the Land Conservancy of San Luis Obispo County (LCSLO) for the acquisition of three conservation easements on the 7,681-acre Attiyeh Ranch in northern San Luis Obispo County for purposes of habitat protection, preservation of agriculture and open space, and protection of water supply and water quality. Protecting the ranch with conservation easements will directly benefit water quality, water supply, flood protection, and anadromous fish habitat in the Salinas River watershed, which includes the Lake Nacimiento Reservoir that accounts for over 60% of the total water that annually drains to the Salinas River system.

Attiyeh Ranch is situated along the upper reaches of the Nacimiento Reservoir and has a major influence on the quality and quantity of water entering the reservoir (Exhibit 1). Owned and operated by the Monterey County Water Resources Agency, the reservoir serves a variety of needs throughout both Monterey and San Luis Obispo Counties, including as a source of drinking water, flood protection, groundwater recharge, and agricultural irrigation. The reservoir provides an estimated 200,000 acre-feet of water per year in the Salinas River system, and 15,750 acre-feet of water annually to several communities in San Luis Obispo County that depend on this water to diversify and stabilize their municipal water supply. Because the reservoir was built in part to combat groundwater overdraw and subsequent saltwater intrusion caused by residential and agricultural wells in the lower Salinas Valley, sustaining the reservoir's water quality and supply is considered an essential component of water resource management throughout the Salinas River system.

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Protecting water resources in Lake Nacimiento is also a key factor for the recovery of the threatened South-Central California Coast steelhead. The Salinas River and lower Nacimiento River have been designated as critical steelhead habitat, including spawning and rearing habitat immediately downstream from the dam. Eliminating future residential development in the watershed above the dam will help sustain steelhead in the Nacimiento River, the greater Salinas River, and the Salinas River Lagoon. The ranch is also located at the intersection of two regional wildlife corridors and shares its western boundary with the 82,000-acre Hearst Ranch (Exhibit 1, page 2). Protecting the Attiyeh Ranch will increase contiguous private protected lands in the region by 10% and create a contiguous network of protected land from Lake Nacimiento to northern Big Sur alongside federally designated Wilderness Areas and the Los Padres National Forest. Permanently protecting 7,681-acres within these regional wildlife corridors will benefit wildlife by enhancing connectivity between protected landscapes.

Aside from several historic homesteads and temporary residences, the ranch has never been developed, and the proposed conservation easements will restrict the property's significant development potential. The ranch is comprised of 36 legal parcels and with current zoning allowing a minimum of two residences per parcel, a total of 72 homes could be built across the ranch, not including farm support dwellings (Exhibit 1, page 3). With abundant water supplies and potential for developing convenient road access, the ranch is highly susceptible to both residential development and conversion to more intensive agriculture such as orchards or vineyards. In recent decades subdivision and residential development have occurred around the Nacimiento Reservoir. Ranchette-style estate homes spread across the Attiyeh Ranch along and upstream of the Nacimiento Reservoir would result in a variety of negative impacts to land and water resources, including bare ground and impervious surfaces that would lead to increased erosion, runoff and subsequent sedimentation to the reservoir.

Three conservation easements will serve to consolidate the 36 existing parcels that comprise the larger ranch into three contiguous, protected ranches (Exhibit 1, page 3), each with the same restrictions. The three ranches will be retained by the same family but under separate ownerships. Future residential development will be allowed only within defined building envelopes and limited to no more than seven additional homesites and accessory dwelling units. Agricultural uses on the property will be restricted to low-intensity livestock grazing and other agricultural uses which do not impair the conservation values of the property. These restrictions are consistent with historic grazing practices that have kept the number of cattle far below the number that the ranch could otherwise sustainably carry. Additional agricultural infrastructure development will be limited in scale and restricted to permitted practices. Prohibitions will be placed on vineyards, orchards, and other intensive agricultural development. The easements will also prohibit other land uses that would lead to waterway impairment and excessive use of water resources, soil erosion, and vegetation removal.

There is broad support for the Attiyeh Ranch conservation project from the neighboring community and from public agency and private natural resource professionals. The importance of permanently protecting the ranch due to its role in protecting water supply and water quality in Lake Nacimiento was highlighted in a 2013 report by Waterways Consulting, and by the California Department of Fish and Wildlife in its priority ranking in the Adelaide Conceptual

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Area Protection Plan (CAPP) in 2018. The California Department of Conservation's Sustainable Agricultural Lands Grant Program (SALC) has recognized the property's agricultural, wildlife habitat, and water resources benefits through their match funding for the project. As part of the SALC grant management process, LCSLO notified neighboring landowners of its intent to permanently protect the ranch through conservation easements. In addition, the project was evaluated by the LCSLO's all-volunteer Board and Land Committee comprised of community members interested in contributing to land conservation efforts in San Luis Obispo County.

Site Description: The 7,681-acre ranch is located above Lake Nacimiento in the Salinas River watershed in the Adelaide region of northwest San Luis Obispo County (Exhibit 1). The ranch is located at the intersection of two regional wildlife corridors and shares its western boundary with the Hearst Ranch (Exhibit 1, page 2). The property is comprised of 36 parcels. Limited development on the ranch consists of several historic homesteads and temporary residences, and ranching accessory facilities to manage a small cattle grazing operation of less than 100 cattle. Land cover across the ranch consists of approximately 5,047 acres of mixed oak woodland (67%), 1,642 acres of shrubland (22%), 604 acres of grasslands (8%), and 19 acres of riparian woodland. The remaining 3% of the ranch features 6.2 stream miles of the Nacimiento River that bisects the southern portion of the property immediately upstream from the Lake Nacimiento Reservoir (Exhibit 2). The tops of the rugged hills that form the ranch's western boundary offer views of healthy riparian corridors along the Nacimiento River. The interior of the ranch is characterized by sloping meadows dotted with valley oak and chaparral-covered hillsides. The ranch comprises 4% of the Nacimiento River watershed. The Nacimiento Reservoir supplies an average of 62% of the water in the Salinas River system annually. The Salinas River and lower Nacimiento River have been designated as critical habitat for threatened Steelhead populations.

Grant Applicant Qualifications: The LCSLO has had an outstanding record working with the Conservancy over the past three decades on numerous acquisition and restoration projects. LCSLO staff has extensive experience managing the land trust's many conservation properties and their comprehensive easement monitoring program will ensure the Attiyeh Ranch will be protected in perpetuity for the benefit of both humans and wildlife. In recent years the Conservancy and other state agencies have provided substantial funding to the LCSLO for two conservation easement projects on large rural cattle ranches in the region.

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 below.

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2. **Consistency with purposes of the funding source:** See the “Project Financing” section below.
3. **Promotion and implementation of state plans and policies:** The proposed conservation easement will promote and implement several state plans, including:
 - a. *California Water Action Plan (2014)*. California Natural Resources Agency, the California Environmental Protection Agency, and the California Department of Food and Agriculture developed this Water Action Plan to meet three broad objectives: more reliable water supplies, the restoration of species and habitat, and a more resilient, sustainably managed water resources system. This project will implement Action 4 by protecting a strategically important area within the Nacimiento River Watershed. The Attiyeh Ranch borders the Nacimiento River on both sides at the inlet to Lake Nacimiento. Protecting the Ranch in its natural state will prevent increased erosion and sediment transport associated with high intensity land use. The project will also implement Action 5 by encouraging healthy soils and preventing soil degradation from high-intensity land use change.
 - b. *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. This project implements goals 1 and 2 of the Report. The Attiyeh Ranch is a landscape-level conservation project that prioritizes watershed protection and health and builds resilience into the Nacimiento watershed system while providing multiple benefits for wildlife and coastal water users. These conservation easements will restrict future development and preserve the natural character of the property while maintaining the current ecosystem services provided by the ranch in its current state.
 - c. *Safeguarding California: 2018 Update, Reducing Climate Risk Plan, California Climate Adaptation Strategy (CA Natural Resources Agency, January 2018)*. The plan identifies “Actions Needed to Safeguard Biodiversity and Habitats” including goal B-2: enhance habitat connectivity and protect climate refugia through strategic acquisition and protection activities. Permanently protecting the Attiyeh Ranch will enhance habitat connectivity and provide refugia for species displaced by climate change. The Attiyeh Ranch is adjacent to the protected lands of Hearst Ranch and sits at the intersection of two wildlife corridors that connect wilderness areas in Big Sur with the southern Los Padres National Forest.
 - d. *California Wildlife Action Plan*. This project will promote several objectives of the Plan by restricting future development to maintain the diversity of natural land cover across the ranch including grassland, forest, and riparian ecosystems and protect water and soil quality vital to sustaining these ecosystems. This project will also maintain connectivity among other nearby protected lands and maintain native species distribution, abundance, richness, and genetic diversity.

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- e. *California Essential Habitat Connectivity Strategy for Conserving a Connected California.* The Attiyeh Ranch sits at the intersection of the San Geronimo-Weferling Canyon and San Geronimo-Los Padres Essential Connectivity Areas. This landscape-level conservation project will conserve an intact 7,681-acre ranch adjacent to the Hearst Ranch conservation easement and proximate to other completed and ongoing conservation projects in the greater Adelaide CAPP, protecting wildlife movement within the Santa Lucia Range.
- f. *State and Federal Species Recovery Plans: NOAA Marine Fisheries Service South-Central Coast California Steelhead Recovery Plan:* The Nacimiento River below the Nacimiento Dam has been designated by this recovery plan as critical habitat for South-Central Coast California (“SCCC”) steelhead. The Nacimiento Reservoir releases water to maintain in-stream flow and habitat for steelhead in the lower Nacimiento River. The Attiyeh Ranch has a large influence on the quality and quantity of water entering the Nacimiento Reservoir. Maintaining natural land cover across the Attiyeh Ranch via three identical, contiguous conservation easements will prevent negative impacts to water quality associated with development and high-intensity land use.

Steelhead Management and Restoration Plan for California: SCCC steelhead spawning and rearing habitat has been documented in the Nacimiento River below the Nacimiento Dam. This Plan recommends protecting steelhead spawning and rearing habitat as one of the primary tools for steelhead recovery. The Attiyeh Ranch project will maintain the quality and quantity of water entering the Nacimiento Reservoir from the property and help ensure that there is a sufficient amount of quality water available for in-stream flow releases from the Reservoir.

Recovery Plan for the California Red-legged Frog: This project will protect suitable habitat for the California red-legged frog within multiple riparian corridors on the property and will help maintain downstream habitat by limiting development and watershed degradation.

4. **Support of the public:** The project is supported by the Congressman Salud Carbajal, State Senator John Laird, Assemblyman Jordan Cunningham, San Luis Obispo County Supervisors John Peschong and Bruce Gibson, San Luis Obispo Council of Governments, Upper Salinas-Las Tablas Resource Conservation District, Cayucos Land Conservancy, and landowners/ranchers in the area. See Exhibit 3, Project Letters.
5. **Location:** See the “Project Summary”.
6. **Need:** Conservancy funds are essential to supporting the Attiyeh Ranch conservation easements as there is a high likelihood that the project will not be completed without Conservancy funding.
7. **Greater-than-local interest:** The proposed project will protect water resources in the Salinas River, one of the Central Coast’s largest river systems, benefit a federally threatened species (steelhead), and protect a large-scale wildlife corridor.

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8. **Sea level rise vulnerability:** This project sits at an approximate elevation of 1,100 feet above sea level in the Nacimiento River watershed and will not be directly impacted by the predicted sea level rise of 16 to 55 inches.

Additional Criteria

9. **Leverage:** See the “Project Financing” section.
10. **Cooperation:** Conservancy funding support will enable LCSCO and a private landowner to cooperate on the permanent protection of a private ranch property.
11. **Realization of prior Conservancy goals:** This project complements prior Conservancy land conservation projects in the region including the 1,779-acre Hill Ranch completed in 2018, the 717-acre Nicholson Ranch acquisition completed in 2020, and the Hearst Ranch acquisition completed in 2004.

PROJECT FINANCING

Coastal Conservancy	\$825,000
Wildlife Conservation Board (pending approval)	\$3,750,000
Department of Conservation	<u>\$1,500,000</u>
Project Total	\$6,075,000

The anticipated source of Conservancy funds for this project is an appropriation from the Water Quality, Supply, and Infrastructure Improvement Act of 2014 (Proposition 1, Water Code section 79700 *et seq.*). Funds appropriated to the Conservancy derive from Chapter 6 (commencing with Section 79730) and may be used “for multi-benefit water quality, water supply, and watershed protection and restoration projects for the watersheds of the state” (Section 79731). Section 79732 identifies 13 specific purposes of Chapter 6. The proposed project is consistent with purpose #1 (Protect and increase the economic benefits arising from healthy watersheds, fishery resources, and instream flow) in that it will protect the water supply for the Nacimiento Reservoir which helps support communities and agricultural operations along the Salinas River. The proposed project is also consistent with purpose #4 (Protect and restore aquatic, wetland, and migratory bird ecosystems, including fish and wildlife corridors and the acquisition of water rights for instream flow) in that the project will protect aquatic ecosystems and a wildlife corridor.

As required by Proposition 1, the proposed project provides multiple benefits (Water Code sections 79730, 79731). The easement acquisitions will serve to protect agriculture, biodiversity and habitat, ocean and coastal ecosystems, and water supply. The risk to these diverse natural resources will be addressed by conserving a long-standing family ranch, maintaining sustainable agricultural production, restricting development within a watershed that drains to the coast, maintaining wildlife and stream habitat in a major wildlife corridor, and protecting water quality and quantity to a municipal water source.

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The project was selected through a competitive grant process under the Conservancy's *Proposition 1 Grant Program Guidelines* adopted in June 2015 ("Prop 1 Guidelines"). (See Section 79706(a)). The proposed project meets each of the evaluation criteria in the Prop 1 Guidelines as described in the "Project Financing" section, the "Project Summary" section and in the "Consistency with Conservancy's Project Selection Criteria & Guidelines" section of this report.

The project has been awarded \$1,500,000 in match funding through the California Department of Conservation Sustainable Agricultural Lands Conservation Program (SALC). 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 Wildlife Conservation Board will be considering its staff's recommendation to award a grant of \$3,750,000 in Habitat Conservation funds for the project at their November 2021 meeting.

The seller is donating a portion of the value of the easements in the form of a bargain sale valued to be \$1,225,000.

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), the proposed project will (1) protect fish and wildlife habitat within coastal watersheds and coastal waters (Section 31120(b)(2)), including endangered species habitat in the Salinas River watershed; (2) reduce unnatural erosion and sedimentation of a coastal watershed (Section 31120(b)(4)) by preventing future land uses that could contribute to unnatural watershed erosion and sedimentation; and (3) acquire conservation easements on sensitive watershed lands (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.

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

Objective 5A: This project will protect a significant watershed property by protecting a 7,681-acre ranch including 4% of the Nacimiento River watershed above the Nacimiento Dam and 6.2 miles (11%) of the length of the Nacimiento River.

Objective 5B: This project will protect working lands, including farmland, rangeland, and forest, by protecting 7,681 acres of working rangeland on the Central Coast.

Objective 5C: This project will implement projects that preserve wildlife corridors between core habitat areas along the coast by preserving 7,681 acres at the intersection of two major wildlife corridors along the Central Coast (San Geronimo-Los Padres National Forest and San Geronimo-Weferling Canyon ECAs).

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

Projects undertaken pursuant to Chapter 5.5 of Public Resources Code Division 21 (§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. The project furthers the San Luis Obispo County Integrated Regional Water Management Plan, including Objective 2, by protecting natural land cover in order to maintain the balance of ecosystem functions in the Salinas River watershed; Objective 4 by maintaining natural land cover and preventing upstream erosion and downstream sediment accumulation associated with high-intensity land use; Objective 5, by protecting the quality and quantity of water available for threatened SCCC steelhead downstream of the Nacimiento Dam.

The project is consistent with the Water Quality Control Plan for the Central Coast Basin (2016), and specifically addresses the following beneficial use objectives in the Salinas River: wildlife habitat, freshwater replenishment, ground water recharge, agricultural supply, and rare, threatened, or endangered species.

CEQA COMPLIANCE:

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

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