#### **COASTAL CONSERVANCY**

# Staff Recommendation May 5, 2022

#### YMCA CAMP JONES GULCH CONSERVATION EASEMENT

Project No. 22-005-01
Project Manager: Hilary Hill

**RECOMMENDED ACTION:** Authorization to disburse up to \$950,000 to Sempervirens Fund to acquire a conservation easement on the approximately 915-acre YMCA Camp Jones Gulch property in the Santa Cruz Mountains in unincorporated San Mateo County for natural resource and watershed protection, habitat restoration, open space protection, education, and recreation.

**LOCATION:** Near the town of La Honda in unincorporated San Mateo County (Exhibit 1)

## **EXHIBITS**

Exhibit 1: Project Location Map

Exhibit 2: Photos

Exhibit 3: Project Letters

#### **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 fifty thousand dollars (\$950,000) to Sempervirens Fund ("the grantee") for the acquisition of a conservation easement on the approximately 915-acre YMCA Camp Jones Gulch property (APN 083-320-060; 083-320-070; 083-330-030) for purposes of natural resource and watershed protection, habitat restoration, open space protection, education, and recreation, 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 conservation easement acquired under this authorization shall be consistent with the Conservancy's Easement Standards (adopted May 24, 2007).
- 4. The easement interest acquired under this authorization shall be managed and operated in a manner consistent with the purposes of natural resource and watershed protection, habitat restoration, open space protection, education, and recreation. The property shall be permanently dedicated to those purposes by an appropriate instrument approved by the Executive Officer.
- 5. Conservancy and Proposition 68 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 resources protection.
- 2. The proposed project is consistent with the current Conservancy Project Selection Criteria.
- 3. Sempervirens Fund 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 \$950,000 grant to Sempervirens Fund to acquire a conservation easement on the approximately 915-acre YMCA Camp Jones Gulch property in the Santa Cruz Mountains in unincorporated San Mateo County (the property). The property comprises San Mateo County Assessor Parcel 083-320-060, 083-320-070, and 083-330-030 and is located approximately 5.5 miles south of the town of La Honda. The proposed acquisition would permanently protect old-growth redwoods, headwaters in the regionally significant Pescadero Creek watershed, and landscape connectivity to 10,000 acres of protected lands.

The property features a rich mosaic of largely intact ecological systems including: over 200 acres of redwood forest with 39 acres of old-growth forest, which provide habitat for the marbled murrelet, an endangered seabird; more than 400 acres of Douglas fir forest; 9 miles of headwater streams within a coastal watershed important for the recovery of the endangered coho salmon and threatened steelhead trout; over 100 acres of coastal prairie grassland; and over 45 species of rare and endangered wildlife and plants. The Santa Cruz Mountains Redwoods Conservation Area Protection Plan (CAPP) ranked the property as a Tier 1 priority acquisition and in the top 1% of priority properties. The property provides landscape connectivity as it's adjacent to over 10,000 acres of protected lands within a core habitat area in the Santa Cruz Mountains.

The YMCA of San Francisco (YMCA) owns the property and has operated a camp on a small portion of the property for nearly 90 years. In the early 2000s, the YMCA explored revenue options to secure the long-term economic viability of the camp and address deferred maintenance of camp facilities, which included: 1) a non-industrial timber management plan (NTMP) for a commercial timber harvest across the property, and 2) subdivision of the approximately 915-acre property and subsequent sale of a large amount of the property's acreage. In response to concerns raised from neighbors and conservation organizations, the YMCA withdrew its plans and Sempervirens Fund has since worked with them to develop the proposed project. The proposed conservation easement is a win-win: the property's high conservation value will be protected and funds received by the YMCA will ensure they can continue camp operations.

The proposed conservation easement will cover the entire property and includes distinct management zones. The Conservation Zone will cover the majority of the property (approximately 835 acres, 90% of total property). There, conservation takes precedent over camp uses. Areas of high value for ecosystem health, which were identified in the property's 2014 Conservation Plan, fall into this most restrictive zone where no future commercial, industrial, or residential development can take place. A 93-acre Existing Use Zone will allow established educational and recreational uses for camp operations (such as camp cabins and staff housing, educational and recreational facilities, food service, and maintenance facilities), which must be balanced with maintaining conservation values. Limited future development for camp-related purposes is allowed in the Existing Use Zone, restricted to a total of 53 acres. In the event of a catastrophic natural event, such as wildfire, where the Existing Use Zone is rendered unusable, a 108-acre Replacement Use Zone is identified, of which 60 acres could be developed for replacement of the camp.

In addition no subdivision will be allowed across the entire property, except to a government or nonprofit entity for conservation purposes. Ecologically-focused forest management will be allowed to promote forest health and reduce fire risk, provided that the primary purpose of a harvest is not for commercial gain and timber revenue will be used only to enhance conservation values on the property. Annual monitoring of the easement will be conducted in perpetuity to ensure the conservation values of the property are protected.

A Stewardship Plan will be developed to promote proactive restoration and stewardship of the property including enhancing and restoring forest health, reducing the threat of wildfire, and

promoting climate resiliency. The Stewardship Plan will be developed in collaboration with San Mateo County Resource Conservation District, California Department of Fish and Wildlife, Amah Mutsun Tribal Band, and Muwekma Ohlone Tribe. Sempervirens Fund is committed to carrying out the Stewardship Plan with YMCA Camp Jones Gulch and will dedicate \$422,500 to establish a restoration fund for implementation of the Plan. Through the conservation easement, Sempervirens will retain affirmative rights to implement restoration projects on the property.

YMCA Camp Jones Gulch serves more than 23,000 youth from the greater San Francisco Bay Area every year, offering connection with wilderness, leadership training, and ecology education that builds the next generation of stewards. Revenue gained through the sale will go back into the property and allow the YMCA to address deferred maintenance. Expected improvements that the YMCA plans to undertake include making cabins accessible for people with physical disabilities (meeting ADA standards) and adding bathrooms to its cabins. The camp serves youth from across the region including residents from disadvantaged communities and the YMCA offers more than \$150,000 in scholarships each year for low-income families to attend. Through a partnership with Puente de la Costa Sur, the YMCA hosts a day camp that primarily serves immigrant families from nearby Pescadero.

Acquisition of the conservation easement is expected to occur in Fall 2022. Long-term conservation of this property will ensure that the property is safeguarded for its wildlife habitat for sensitive species, connectivity for climate change adaption, carbon sequestration benefits, and water quality protection, and will enable the YMCA Camp Jones Gulch to continue its camp operations serving San Francisco Bay Area youth.

**Site Description:** The approximately 915-acre YMCA Camp Jones Gulch property is located in an undeveloped area of the rural Santa Cruz Mountains in unincorporated San Mateo County, approximately 5.5 miles south of the town of La Honda and seven miles east of the Pacific Ocean. There is currently a lack of clarity about the exact acreage of the proposed easement, as some of the acquisition documents state that the property is 915 acres while others say 928 acres. The grantee intends to conduct a property survey to settle this discrepancy. The property consists of three parcels and is zoned Resource Management District and Timberland Preserve Zone (RM/TPZ). The topography of the property varies from level/gentle to quite steep 70 percent slopes, with elevation from a low of 500' within the lower McCormick Creek drainage up to 1,200' at the upper peak of the property along the northeasterly border.

For nearly 90 years the YMCA has owned the property, using it is as a youth summer camp and recreation retreat. About 10 percent of the property is intensively developed as a campground, which is mainly concentrated in the central portion of the property. Camp facilities include cabins (sleeping approximately 400 people), staff housing, administration building, dining hall, maintenance shop, and recreation facilities (picnic areas, archery range, basketball court, swimming pool, zip line, horse corral, pond, campfire pits). The camp serves approximately 23,000 youth from the greater San Francisco Bay Area every year. In addition to the programs directly administered by the YMCA, outdoor education programs are conducted in conjunction with the San Joaquin County and San Mateo County school districts. Since the Covid-19 pandemic began in 2020, camp operations have been limited.

Outside of the camp area, the remainder of the property is primarily undeveloped land with a rich diversity of vegetation types, including 231 acres of redwood forest with 39 acres of rare old growth redwoods, 433 acres of Douglas fir, 37 acres of mature oak woodlands, 6 acres of riparian woodlands, 93 acres of coastal scrub, and 99 acres of coastal grasslands. Redwoods predominate within the cooler, moister canyons and lower slopes, while Douglas fir inhabits upper slopes and ridges. The estimated 39 acres of old-growth forests are in two Jones Gulch drainages in the southeastern portion of the property and the largest of the stands, the 31-acre Valley of the Giants, features numerous, large redwood trees. The grasslands on the property can be characterized as coastal prairie which hold statewide conservation value due to their biological richness and rarity.

The property is located in the headwaters of the Pescadero Creek watershed—a nearly 36,000-acre coastal watershed that provides critical habitat for endangered coho salmon and threatened steelhead trout. The property contains nearly 9 miles of Jones Gulch and McCormick creeks, which drain toward Pescadero Creek to the south. The property sustains habitat for a diversity of species, including 45 species of rare and endangered wildlife and plants (25 wildlife and 20 plants). Special status species known to occur on the property include marbled murrelet, San Francisco dusky-footed woodrat, and California red-legged frog. Additional species expected to occur include the western pond turtle, San Francisco Garter snake, California giant salamander, rough-skinned newt, Northern Pacific tree frog, loggerhead shrike, northern harrier, whitetailed kite, and several bat species including Townsend's bigeared bat, hoary bat, and pallid bat, deer, and mountain lion.

The property also harbors extensive timber. In the early 1900s the property was heavily clear-cut across approximately 192 acres of forest. Since 1934, the property has been allowed to regenerate, although selective harvests have occurred, including 36 acres in 1976 and 26 acres in 1985. The creeks on the property show degradation from the original clear-cut harvests, when logs were dragged down stream channels, sediment in streams accumulated from vegetation removal on steep slopes, and built roads created drainage issues. The more recent harvests in the 1970s and 1980s were subject to the California Forest Practice Rules, which provided basic stream protection requirements and limitations on where and how timber could be extracted. The recent 2020 CZU Lightning Complex fire came within under a mile of YMCA Camp Jones Gulch and the surrounding areas, but the property was not burned.

Grant Applicant Qualifications: Established in 1900, Sempervirens Fund is dedicated to protecting the redwood forests of the Santa Cruz Mountains and has protected more than 35,000 acres to-date. Sempervirens Fund owns and actively stewards 27 forested properties that encompass over 10,000 acres and is among the largest property owners in the region. Sempervirens Fund has a record of success completing similar conservation easement projects, including conservation easements on three outdoor education camps covering 500 acres. Sempervirens Fund is well-equipped to complete this project and has experience receiving state grants from the Conservancy, Wildlife Conservation Board, California Department of Fish and Wildlife, and State Parks. Sempervirens Fund has raised funds to support work on the YMCA Camp Jones Gulch property beyond acquisition, including \$350,000 to support the perpetual obligations of holding the conservation easement (annual monitoring, enforcement, and defense) and \$422,500 to support implementation of the property's Stewardship Plan.

#### **CONSISTENCY WITH CONSERVANCY'S PROJECT SELECTION CRITERIA:**

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

#### **Selection Criteria**

1. Extent to which the project helps the Conservancy accomplishes 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 approximately 915-acre YMCA Camp Jones Gulch property is a good investment of state resources because (1) it will contribute to meeting the Governor's 30 x 30 Executive Order; (2) it will protect a Tier 1 priority acquisition, as identified in the Santa Cruz Mountains Redwoods Conservation Area Protection Plan (CAPP); (3) it will help protect state and federal endangered, threatened and sensitive species; (4) it will protect the biodiversity of coastal old growth redwood habitats, a significant and imperiled California natural resource; (5) and it leverages significant matching funds from private and public sources.

3. Project includes a serious effort to engage tribes. Examples of tribal engagement include good faith, documented efforts to work with tribes traditionally and culturally affiliated to the project area.

Sempervirens Fund is collaborating with local tribes, the Muwekma Ohlone Tribe and Amah Mutsun Tribal Band, to develop a Stewardship Plan for the YMCA Camp Jones Gulch property which will guide future restoration and stewardship of the property.

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

Acquisition of the conservation easement will permanently protect approximately 915-acres of significant coastal redwood forest property within the Pescadero Creek watershed to protect habitat connectivity, habitat values, water quality, and carbon sequestration potential. The conservation easement's Stewardship Plan will further proactive conservation and restoration action on the property, including forest health restoration to increase resiliency to wildfire.

5. Project delivers multiple benefits and significant positive impact.

The proposed project will make a significant positive impact by protecting the high conservation value of the YMCA Camp Jones Gulch property while also securing the economic viability of the camp, benefiting the 23,000 annual campers that attend from around the San Francisco Bay Area. The project provides multiple benefits including (1) permanent protection of 39 acres of rare old-growth habitat, that may provide habitat for the endangered marbled murrelet; (2) watershed and water quality benefits due to the property's location in the headwaters of the Pescadero Creek watershed, an important watershed for endangered coho

salmon and threatened steelhead trout; (3) landscape connectivity adjoining 10,000 acres of open space and the largest patch of intact habitat in the Santa Cruz Mountains; (4) biodiversity including 45 rare and sensitive species and diverse habitats found on the property, including rare coastal prairie; 5) carbon sequestration from the property's redwoods and soils.

# 6. Project planned with meaningful community engagement and broad community support.

In the 2000s when the YMCA was considering a commercial timber harvest and/or subdivision to raise revenue, there was an outpouring of community concern from neighbors and local conservation organizations. This project was developed by Sempervirens Fund to address those community concerns and provide a win-win to both protect the property's conservation values while providing needed revenue to the YMCA to continue its camp operations.

The project is supported by State Senator Josh Becker, Assemblymember Marc Berman, San Mateo County Supervisor Don Horsley, San Mateo County Office of Education, San Mateo Resource Conservation District, National Marine Fisheries Service, Peninsula Open Space Trust, Green Foothills, and YMCA (Exhibit 3).

#### **PROJECT FINANCING**

Coastal Conservancy	\$950,000
Gordon & Betty Moore Foundation	\$2,400,000
Wildlife Conservation Board	\$2,000,000
Sempervirens Fund	\$2,275,000
Peninsula Open Space Trust	\$2,000,000
Project Total	\$9,625,000

Conservancy funds for this project are expected to come from an appropriation to the Conservancy from the California Drought, Water, Climate, Coastal Protection, and Outdoors Access for All Act of 2018 (Proposition 68, California Public Resources Code Sections 80000-80173). Pursuant to Section 80120(e), the Conservancy may provide grants for the protection, restoration and improvement of coastal forest watersheds including managed forest lands, forest reserve areas, redwood forests and other forest types. This project is an eligible project type pursuant to Section 80120(e) because it will protect redwood and Douglas fir forests in the coastal Pescadero Creek watershed. The proposed acquisition is consistent with the funding guidelines for expenditure of Proposition 68 adopted by the Conservancy on December 6, 2018 (Guidelines) as described in various sections of this staff recommendations (See Pub. Res. Code section 80010).

The YMCA Camp Jones Gulch conservation easement appraised for \$10,470,000 in 2021. The YMCA will be selling the conservation easement at a bargain sale, reducing the purchase price by \$845,000. The project has secured significant matching funds, as described in the table above, including over 50% of funds from non-state funding sources. Although the acquisition is currently fully funded, Sempervirens Fund has also applied for a \$1,000,000 grant from the California Department of Fish and Wildlife for the acquisition. If this additional public funding is

approved, Sempervirens Fund would reduce their funding contribution for the acquisition and contribute the equivalent amount into a stewardship/restoration fund for the property.

Beyond providing matching funds for this acquisition, Sempervirens Fund is setting aside \$350,000 to support the perpetual obligations of a conservation easement holder which include annual monitoring, enforcement, and defense. In addition, Sempervirens Fund has also committed an additional \$422,500 to create a stewardship/restoration fund for habitat restoration on the property once the conservation easement closes. Sempervirens Fund has also contributed \$182,530 for due diligence of the acquisition.

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

#### CONSISTENCY WITH CONSERVANCY'S ENABLING LEGISLATION:

The proposed authorization is consistent with the purposes and objectives of Chapter 5.5 of Division 21 of the Public Resources Code, regarding integrated coastal and marine resources protection (Section 31220). Section 31220(a) permits the Conservancy to provide grants for coastal watershed resources protection projects, if the projects meet one or more of the objectives detailed in Section 31220(b). Pursuant to Section 31220(b)(2), the Conservancy is authorized to undertake a project or award a grant for a project that protects fish and wildlife habitat within a coastal watershed. The proposed project will acquire a conservation easement that will protect the approximately 915-acres of coastal watershed lands at YMCA Camp Jones Gulch, including critical habitat for 45 rare and sensitive species.

As required by Section 31220(a), staff has consulted with the State Water Resources Control Board for consistency with Public Resources Code Division 20.4, Chapter 3 (the Clean Beaches Program). Pursuant to Section 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 2018-2022 STRATEGIC PLAN GOAL(S) & OBJECTIVE(S):

Consistent with **Goal 5**, **Objective 5A** of the Conservancy's 2018-2022 Strategic Plan, the proposed project will protect approximately 915 acres of a significant coastal watershed resource property within the Pescadero Creek watershed in San Mateo County.

Consistent with **Goal 5, Objective 5C** of the Conservancy's 2018-2022 Strategic Plan, the proposed project will preserve critical wildlife corridors, adjoining 10,000 acres of protected lands within the largest patch of intact habitat in the Santa Cruz Mountains.

# 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. The project furthers the Bay Area Integrated Regional Water Management Plan, including Goal 3 to protect watershed health and Goal 5 to protect environmental resources and habitats. The proposed project protects approximately 915 acres of the headwaters of the Pescadero Creek watershed, which harbors diverse habitats and sensitive species. The project is also consistent with the Water Quality Control Plan for the San Francisco Bay Basin and specifically addresses the following beneficial use objectives for McCormick and Jones Gulch Creeks: cold freshwater habitat, preservation of rare and endangered species, and wildlife habitat. The project is also consistent with the Pescadero-Butano Watershed Sediment TMDL developed by the San Francisco Bay Regional Water Quality Control Board as the project will protect 9 miles of streambanks within the Pescadero Creek watershed.

#### **CEQA COMPLIANCE:**

The proposed funding authorization is categorically exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to Title 14 of the California Code of Regulations Section 15313 because this project is an acquisition of a conservation easement to preserve fish and wildlife habitat. The proposed project is also exempt under Section 15325 because it is a transfer of an ownership interest in land to preserve open space and existing natural conditions, including plant or animal habitats, and will allow restoration of natural conditions. Upon approval of the project, Conservancy staff will file a Notice of Exemption.