

COASTAL CONSERVANCY

Staff Recommendation
February 15, 2024

CAMATTA RANCH CONSERVATION EASEMENT ACQUISITION

Project No. 23-077-01
Project Manager: Timothy Duff

RECOMMENDED ACTION: Authorization to disburse up to \$2,500,000 to the Land Conservancy of San Luis Obispo County to acquire a conservation easement over the 27,512-acre Camatta Ranch in eastern San Luis Obispo County to protect water quality and water supply, natural resources, wildlife habitat, scenic open space, and agriculture including cattle grazing compatible with such uses.

LOCATION: Upper Salinas River watershed, eastern San Luis Obispo County.

EXHIBITS

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

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

Resolution:

The State Coastal Conservancy hereby authorizes a grant of an amount not to exceed two million five hundred thousand dollars (\$2,500,000) to the Land Conservancy of San Luis Obispo County (“the grantee”) to acquire a conservation easement over the 27,512-acre Camatta Ranch to protect water quality and water supply, natural resources, wildlife habitat, scenic open space, and agriculture including cattle grazing compatible with such uses, 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):

CAMATTA RANCH CONSERVATION EASEMENT ACQUISITION

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

Findings:

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

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

STAFF RECOMMENDATION

PROJECT SUMMARY:

Staff recommends granting up to \$2,500,000 to the Land Conservancy of San Luis Obispo County to acquire a conservation easement over the 27,512-acre Camatta Ranch in eastern San Luis Obispo County to protect water quality and water supply, natural resources, wildlife habitat, scenic open space, and agriculture including cattle grazing compatible with such uses (Exhibit 1). Covering over 42% of the Estrella River watershed, a major tributary to the Salinas River, the ranch has a significant influence on water supply and quality in the region (Exhibit 1, page 3).

San Luis Obispo County's zoning designation would allow each of the ranch's 83 parcels and underlying certificates of compliance to be developed with two primary dwellings and one agricultural worker dwelling that, if developed, could result in up to 238 new residences. The proposed conservation easement will consolidate the property into one economic unit, prohibit

all future subdivision, and eliminate most development on all but 316 acres. Development allowed outside of the 316 acres includes fencing for agriculture, roads, and water utility infrastructure needed for agriculture and residences. Development allowed on the 316 acres includes up to 13 residences, two lodges, a commercial equipment assembly facility, and agriculture-related structures. The property's agricultural uses will be restricted to livestock grazing and animal husbandry although irrigated agriculture and intensive agriculture excluding vineyards will be allowed on 2,500 acres. The easement will also restrict land uses that could lead to waterway impairment, soil erosion, and significant impacts to native vegetation. Altogether, the easement will ensure the property's water supplies, open space, wildlife habitat and ecological diversity, including habitat for a wide variety of threatened, endangered, and rare species, are protected in perpetuity.

The ranch extends north from a significant series of wildlife corridors that traverse San Luis Obispo County and functions as a significant wildlife corridor between the oak savannah south of Shandon to the diverse hardwood rangelands near the Machesna Mountain Wilderness (Exhibit 1, page 4). Creating a 27,512-acre protected area in this region will benefit wildlife by enhancing connectivity between protected landscapes for local and migratory species. The conservation easement will also increase protected lands within a defined corridor for the endangered San Joaquin kit fox.

With convenient road access and abundant water supplies, the Camatta Ranch has faced an ongoing threat of subdivision and sale. While the majority owners that have lived on the ranch for generations have sought to conserve the ranch, a separate family corporation led by other family members sought to divide up the ranch and put parcels for sale on the open market. In summer 2021, the Camatta ownership groups entered into binding agreements that provide the opportunity to protect the property with the sale of the proposed conservation easement by a deadline of March 31, 2024.

Protection of the Camatta Ranch has received support from a broad range of individuals and public agencies. The Wildlife Conservation Board and the Department of Conservation are providing substantial funding support for the proposed conservation easement as shown in the Project Financing section below. See also Exhibit 3 letters of support. Tribal consultation letters were sent on September 26, 2023 and no comments were received.

Site Description: The 27,512-acre Camatta Ranch is located in central San Luis Obispo County and covers a significant area in the interior region of the County (Exhibit 1). The ranch sits between the town of Santa Margarita to the west, Highway 58 and the Los Padres National Forest to the south, Carrizo Plain National Monument to the southeast, and the town of Shandon to the north. The ranch comprises 42% of the Estrella River watershed, a major tributary to the upper Salinas River. The ranch supports a diversity of vegetation communities, including oak woodland and savannah, annual and perennial grassland, grey pine woodland, riparian woodland, and chaparral (Exhibit 2). This remarkable diversity of vegetation provides habitat for numerous wildlife. State and federally listed species observed on the property include San Joaquin kit fox, giant kangaroo rat, California red-legged frog, California tiger salamander, southwest pond turtle, and blunt-nosed leopard lizard. Mountain lion, black bear, red-tailed hawk, and golden eagle are also present on the property. There are six existing

primary homes on the ranch and 17 wells. Agricultural support infrastructure includes water storage and distribution, barns and outbuildings, fencing, corrals, and a network of dirt roads. The property is currently managed for livestock grazing, limited irrigated and non-irrigated crop agriculture, and private and public events. A cow-calf herd of 350 cattle are raised on the ranch and are sold to conventional livestock markets annually. Another 300 cattle are run as part of a fall calving herd alongside a direct-to-consumer meat program. A portion of the western side of the Camatta Ranch is leased for a variety of irrigated row crops. Forage mix hay is grown as supplemental livestock feed and there is a “u-pick” vegetable garden for visitors to the ranch.

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

CONSISTENCY WITH CONSERVANCY’S PROJECT SELECTION CRITERIA:

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

Selection Criteria

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

See the “Consistency with Conservancy’s Strategic Plan” section below.

2. Project is a good investment of state resources.

The proposed project is a good investment of state resources because it will contribute to meeting the state’s biodiversity goals as outlined in the Strategic Land Acquisition section of the Governor’s 30 x 30 Executive Order. The project will protect multiple state- and federally-listed species as listed in the Site Description above.

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

The proposed project will permanently protect most of the property from development and will enhance regional climate resilience and adaptation by permanently protecting diverse, climate-resilient habitat that extends north from the ranch to a series of wildlife corridors that traverse San Luis Obispo County. The project will deliver long-term benefits, including carbon sequestration by preserving oak woodlands and reducing greenhouse gas emissions.

4. Project delivers multiple benefits and significant positive impact.

The proposed project will deliver multiple benefits including permanently protecting most of the property from development. The project will improve climate resilience and adaptation by permanently protecting habitats for threatened and sensitive species that travel through the ranch to a series of wildlife corridors that traverse San Luis Obispo County. The project also

supports the San Luis Obispo County’s agricultural economy by ensuring continued farming and ranching operations rather than residential development.

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

The landowners regularly invite the public onto the ranch for a wide variety of events including annual pheasant hunts hosted by the California Department of Fish and Wildlife, Women in the Outdoors retreats, Boy Scouts of America retreats, and working farm stays for domestic international travelers.

PROJECT FINANCING

Coastal Conservancy	\$2,500,000
Wildlife Conservation Board	\$10,880,000
Strategic Growth Council/Department of Conservation	\$5,000,000
Land Conservancy of San Luis Obispo County	<u>\$326,918</u>
Project Total	\$18,706,918

The anticipated source of Conservancy funding is a fiscal year 2022-2023 appropriation from the General Fund specifically for the proposed acquisition. (Budget Act of 2022, Section 19.56(e), SB 154, Chapter 43, Statutes of 2022, as amended by AB 179, Chapter 249, Statutes of 2022.)

In addition to large grants from the Wildlife Conservation Board and Department of Conservation, project funding includes approximately \$326,918 in private donations secured by the Land Conservancy of San Luis Obispo County.

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

CONSISTENCY WITH CONSERVANCY’S ENABLING LEGISLATION:

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

unnatural watershed erosion and sedimentation (Section 31120(b)(4)); and protect coastal watershed lands draining to sensitive coastal or marine areas (Section 31120(b)(6)).

Consistent with Section 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 Section 30915) of Division 20.4 of the Public Resources Code regarding the Clean Beaches Grant Program.

Consistent with 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 [2023-2027 STRATEGIC PLAN](#):

Consistent with **Goal 1.1 Commit Funding to Benefit Systemically Excluded Communities**, the proposed project will improve environmental conditions within a disadvantaged community.

Consistent with **Goal 3.1 Conserve Land**, the proposed project will protect 27,512 acres of land identified in regionally led and scientifically based planning efforts to protect high quality resources and increase habitat.

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

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

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 upper 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 steelhead in the Salinas River. The project is consistent with the Water Quality Control Plan for the Central Coast Basin (2019), 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 Title 14 of the California Code of Regulations Section 15325 because it is a transfer of ownership of interests in land in order to preserve open space and existing natural conditions and to allow continued agriculture.

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

