

Introduction

This discussion will provide the Board with a short history of the Conservancy's use of public bond funds to support acquisitions, specifically conservation easements. It is also intended to help educate and prepare Boardmembers for future decision making associated with conservation easements and concerns that have been raised in the past relative to their associated benefits, drawbacks, and evaluation criteria.

Background

The enabling legislation of the Sierra Nevada Conservancy (SNC) includes provisions allowing for the granting of funds for acquisition of fee title to real property or partial-interests (easement or other marketable rights) (PRC 33343). Additional special provisions are required of nonprofit or tribal organizations receiving grants for purposes of acquiring interests in real property. The legislation also provides the SNC the ability to directly acquire less-than-fee interests in real property (PRC 33347), although the agency has never used this provision.

California bond acts passed during the last 16 years (Propositions 12, 13, 40, 50) have all identified acquisition of conservation easements from willing sellers as an accepted method for accomplishing conservation goals of the state. These measures have all been aligned with state plans related to water, wildlife, agriculture, recreation, and forests.

In 2006, California voters approved Proposition 84, the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act, which included \$54 million for the SNC. The bond language clearly anticipated that acquisition of property or easements would be used as a means to accomplish the goals of the bond and the agencies charged with administering bond funds. The SNC conducted extensive public workshops to identify conservation needs throughout the Region and developed its initial set of grants guidelines. The guidelines allowed eligible applicants to seek grants for fee title or easement acquisitions.

Between 2008 and 2011, the SNC Board authorized \$11.87 million in grants for 15 fee title property acquisitions which leveraged an additional \$38.3 million of outside funding and conserved 34,053 acres of land. In June 2011, while providing direction for development of guidelines to administer the last \$10 million of Prop 84, the SNC Board decided that investing in conservation easements was a preferred approach to achieve conservation goals rather than fee title acquisitions and directed staff to remove fee title acquisitions and pre-project work to support fee title acquisitions from the list of projects eligible for grant funds.

Between 2008 and 2013 the SNC Board authorized \$11.2 million in grants for 18 conservation easements which leveraged an additional \$11.6 million of outside funding and conserved 31,284 acres of land. In June 2013, with \$2.6 million remaining in the SNC Proposition 84 allocation, the SNC Board voted that none of the remaining Proposition 84 funds would be authorized for any conservation easements or pre-project work to facilitate conservation easements. This decision was reached after SNC

Boardmembers raised concerns about the “value” of funding conservation easements on land where perceived threat of development was not imminent, and a desire to focus remaining Prop 84 funds on the SNC’s Forest Health and Abandoned Mine Lands initiatives. The Board indicated that it needed to have a better understanding of conservation easements and that it would re-consider the decision if future funding became available.

In November 2014, California voters approved Proposition 1, which allocated \$25 million to the SNC. Bond language in Proposition 1 is similar to many previous bonds and specifically identifies acquisition of property and conservation easements as an accepted tool to accomplish the conservation goals of the bond. The language supports goals identified in the California Water Action Plan, California Wildlife Action Plan, California Forest Action Plan, and Safeguarding California Plan. SNC staff developed new grant guidelines with direction from the Board to continue limiting acquisition of conservation easements.

Current Status

In June 2014, the Board approved the Watershed Improvement Program Grant Guidelines to administer \$10 million of Proposition 1 funds for the 2014-15 and 2015-16 fiscal years. The program is focused on supporting projects to improve forest health. Currently, acquisition of conservation easements and related pre-project work are not eligible for funding. In an effort to help re-establish the wood processing infrastructure of the region, fee title acquisitions of land and related pre-project activities to facilitate development of wood processing or biomass utilization are eligible.

In the near future, staff will be tasked with developing grant guidelines to administer more Proposition 1 funds, and could be tasked with developing grant guidelines to administer granting funds from new bond measures or from other sources.

Staff has requested assistance from professionals on the topic of conservation easements to participate in a panel presentation and discussion with the Board at this meeting. Panel members have been asked to present a broad range of views on the topic to help inform the board about the pros and cons of conservation easements. Staff has compiled and attached a bibliography of publications that describe a broad range of issues related to conservation easements.

Next Steps

Staff is requesting Board participation in the panel conversation and welcomes comments or suggestions. Any specific recommendations to change existing policy related to this issue will be presented to the Board at a future meeting.

Recommendation

This is an informational item only; no formal action is needed by the Board at this time, although Boardmembers are encouraged to share their thoughts and comments.