

SONOMA COUNTY OPEN SPACE FISCAL OVERSIGHT COMMISSION

COMMISSIONERS

Mike Sangiacomo (Sonoma)
Todd Mendoza (Petaluma)
Regina De La Cruz (Rohnert Park)

Bob Anderson (Healdsburg)
Eric Koenigshofer (Occidental)
Jeff Owen (Alternate)

Regular Meeting
747 Mendocino Avenue – Suite 100, Santa Rosa, CA 95401
March 2, 2017 5:00 pm

AGENDA

1. **Call to Order.**
2. **Agenda Items to be Held or Taken Out of Order; Off-Agenda Items.**
3. **General Announcements Not Requiring Deliberation or Decision.**
4. **Public Comment.**
The Brown Act requires that time be set aside for public comment on items not agendized.
5. **Correspondence/Communication.**
6. **Approval of Commission/Advisory Committee Minutes.** [Attachment 1]
7. **Approval of Commission Minutes.** [Attachment 2]
8. **Financial Report.** [Attachment 3]
9. **Mitigation Guidelines Review.** [Attachment 4]
10. **Closed Session.**
Conference with Property Manager [Attachment 5]
Property: Lang Exchange
Address: 3115 Porter Creek Road, Santa Rosa
APNs: 079-020-048, 079-020-049
Owner: Safari West, Inc., Peter Lang and Nancy Anne Lang
Negotiating Parties:
Owners' Representative: Rob Schepergerdes
District's Representative: William J. Keene, General Manager
Under Negotiation:
Acquisition of Interest in Real Property by the Open Space District. The Commission will give instruction to its negotiator(s) on the price. (*Government Code Section 54956.8*)
11. **Report on Closed Session.**
12. **Suggested Next Meeting.** March 2, 2017
13. **Adjournment.**

In compliance with Government Code §54954.2(a), the Sonoma County Open Space Fiscal Oversight Commission will, on request, make this agenda available in appropriate alternative formats to persons with a disability, as required by Section 202 of the ADA of 1990 (42 U.S.C. §12132), and the Federal rules and regulations adopted in implementation thereof. Individuals who need this agenda in another format or need a disability-related modification or accommodation should contact Sue Jackson at 707.565.7346 at least 72 hours prior to the meeting to ensure arrangements for accommodation. Pursuant to Government Code § 54957.5, a copy of all documents related to an item on this agenda submitted to the Fiscal Oversight Commission may be obtained from the Fiscal Oversight Commission office, 747 Mendocino Avenue, Santa Rosa, CA 95401.



*JOINT MEETING
of the
SONOMA COUNTY AGRICULTURAL PRESERVATION AND OPEN SPACE
DISTRICT ADVISORY COMMITTEE
and the
SONOMA COUNTY OPEN SPACE FISCAL OVERSIGHT COMMISSION*

January 26, 2017 MINUTES

PLEASE NOTE: The meeting opened as a business meeting of the Advisory Committee. The joint meeting to discuss the Mitigation Policy Guidelines was scheduled to commence after conclusion of the Advisory Committee's business meeting.

5:05 pm Meeting convened at the District office, 747 Mendocino Avenue,
Suite 100, Santa Rosa, California

Members Present

Cary Fargo	Curt Nichols	Kristin Thigpen	Bill Smith
Jan McFarland	John Nagle	Regan Connell	Elly Grogan
Don McEnhill	John Dell'Osso	Steve Rabinowitsh	

Members Absent

Doug Lipton Sue Conley Jeffrey Holtzman

Staff Present

Bill Keene, General Manager; Misti Arias, Acquisition Program Manager; Sheri Emerson, Stewardship Program Manager; Mary Dodge, Admin & Fiscal Services Manager; Kathleen Marsh, Stewardship Coordinator; Melina Hammar, Stewardship Technician; Kelsey Setliff, Stewardship Technician; Seamus Rafferty, Stewardship Technician; Catherine Iantosca, Stewardship Technician; Sue Jackson, Fiscal Oversight Commission Deputy Clerk; Bob Pittman, Chief Deputy County Counsel; Lisa Pheatt, Deputy County Counsel; Mariah Robson, Advisory Committee Clerk

Chair Rabinowitsh called the meeting to order at 5:05 pm.

Public Comment

Duane DeWitt expressed concern over the Burbank Avenue property in Roseland that is going to be purchased by the District to create the Roseland Creek Nature Preserve. He would like the preserve to stay in a natural state and not be built up with a lot of pavement and cement.

Approval of Minutes

Chair Rabinowitsh asked for any corrections to the December 8, 2016 minutes. Seeing none they were approved.

Laurie Gallian Resolution

Chair Rabinowitsh presented Laurie Gallian, who served on the Advisory Committee from 2009 to 2016, a Resolution of Appreciation and thanked her for her outstanding service on the Committee.

Advisory Committee Administration

a) Election of Committee Officers

Chair Rabinowitsh announced that he would like to step down as Chair. He nominated John Dell'Osso and Kristin Thigpen seconded the nomination. All were in favor, no oppositions or abstentions. John Dell'Osso accepted the nomination and took over the position.

New Chair John Dell'Osso nominated Don McEnhill for Vice Chair. Elly Grogan seconded the nomination. All were in favor, no oppositions or abstentions. Don McEnhill accepted the nomination.

Chair Dell'Osso asked for a nomination for Chair Pro Tem. Kristin Thigpen nominated Curt Nichols and Don McEnhill seconded the nomination. There was a vote and all were in favor, no oppositions or abstentions. Curt Nichols accepted the nomination.

b) Advisory Committee Rules of Procedures

Chair Dell'Osso asked for a review of the Advisory Committee Rules of Procedure. Bill Keene, General Manager, explained that the Rules of Procedure have not changed. There were no suggested changes from the members. Curt Nichols motioned to approve the Rules of Procedure, and John Nagle seconded the motion. All in favor, no oppositions or abstentions.

c) Ad Hoc Subcommittee Assignments

No new subcommittees were formed. The current subcommittees are the Ag Subcommittee, Matching Grant Program Subcommittee, and Comp Plan Subcommittee. Subcommittee assignments will be included on next month's agenda, and will include review of each subcommittee's members, and provide the opportunity for new members to be added.

d) Committee Calendar and Roster

Mr. Keene, General Manager, asked members to review the calendar dates for meetings in 2017. No changes were made. The calendar will be reviewed at the February meeting to determine the summer meeting schedule.

Break: The meeting recessed at 5:28 pm, pending a quorum of the Fiscal Oversight Commission.

At 6:07 pm, the meeting was reconvened by Advisory Committee Chair John Dell'Osso. Fiscal Oversight Commissioners Bob Anderson, Regina De La Cruz, and Eric Koenigshofer were present.

Public Comment:

Duane DeWitt addressed the Committee and the Commission, thanking District clerical staff for their responsiveness to his requests for information regarding procedural matters over the past few months. He then expressed concern about the Matching Grant Program process, specifically about Bayer Farm. He noted that it was his understanding that Roseland area residents expected the property to remain a natural area, more in line with the District's "Water, Wildlife and Natural Areas" objectives, rather than as a project based on the objectives of the "Recreation and Education" component of the District's guidelines.

John Lowry addressed the Committee and the Commission, urging the District to do a better job with mitigation and restoration. He cited the Santa Rosa Plain as an example of many small parcels, without there being a systematic approach for evaluating mitigation proposals. He included several other factors that impact mitigation, including the cost of housing in Sonoma County, the absence of affordable housing, and need for new housing construction. He recommended that there be a consolidated plan that addresses all the issues, and suggested that the District could have a role.

Guidelines for Evaluation of Environmental Mitigation Proposals:

Sheri Emerson presented the latest draft of the Guidelines. She distributed a decision tree, “Process Map for Evaluation of Mitigation Proposals,” to illustrate the decision making process once a mitigation proposal is submitted to the District. Committee and commission members reviewed a sampling of past mitigation proposals, and the decisions made on each by the District. They discussed how the improved guidelines would benefit Sonoma County as it addresses mitigation issues.

The committee and commissioners directed staff to review the discussion points, and suggested that there be an additional opportunity to discuss the issues at each entity’s subsequent meeting.

Announcements from Advisory Committee Members and Fiscal Oversight Commissioners:

None.

Adjournment: The meeting was adjourned at 7:52 pm.

Next scheduled meeting date of the Fiscal Oversight Commission: February 9, 2017

Next scheduled meeting date of the Advisory Committee: February 23, 2017

Respectfully submitted,

Mariah Robson,
Advisory Committee Secretary

Sue Jackson
Deputy Clerk, Fiscal Oversight Commission

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UNAPPROVED

Minutes for the Meeting of February 9, 2017

Commissioners Present: Bob Anderson, Chair; Todd Mendoza, Vice-Chair; Regina De La Cruz; Eric Koenigshofer; Mike Sangiacomo; Jeff Owen, Alternate.

Staff Present: Bill Keene, General Manager; Misti Arias, Acquisition Program Manager; Stuart Martin, Land Acquisition Specialist; Sara Press, Land Acquisition Associate; Lisa Pheatt, Deputy County Counsel; Sue Jackson, Deputy Clerk/Recorder.

Also Present: Todd McMahon, North Coast Resource Management, Inc.; Howard Levy, Ward Levy Appraisal Group, Inc.; Ariel Patashnik, Sonoma Land Trust; Wendy Eliot, Sonoma Land Trust; George McClelland, McClelland's Dairy; Jana McClelland, McClelland's Dairy; Bill Cresta, Cresta Ranch.

1. **Call to Order.**

Commissioner Mendoza called the meeting to order at 5:00 pm.

Note: Commissioner Koenigshofer and Mr. Keene arrived at 5:07 pm.

2. **Agenda Items to be Held or Taken Out of Order; Off Agenda Items.**

- 9. Mitigation Guidelines Review was held over to the March meeting.

3. **General Announcements Not Requiring Deliberation or Decision.**

Mr. Keene made the following announcements:

- The District will present its Comprehensive Plan to the Board of Directors on March 7, 2017, for review and comment. Following initiation of the Plan by the Board of Directors, the Plan will be brought back to the Fiscal Oversight Commission periodically during the implementation.
- The District's "Founders Film" will be shown at the March 7, 2017 Board of Directors meeting. Commissioner Anderson was appointed to the first Executive Committee of the Open Space Committee by the Board of Supervisors and, as such, is interviewed in the film.

4. **Public Comment.**

- Ariel Patashnik, Land Acquisition Program Manager with the Sonoma Land Trust, spoke in support of the Howell Ranch project. Because Sonoma Land Trust is the recipient of a grant to contribute to the project, she asked that the Commission be mindful of the timeline requirements of the grant funding process.
- Jana McClelland spoke in support of the Hansen Ranch project.
- Bill Cresta spoke in support of the Cresta III project.

5. **Correspondence/Communication.**

There was none.

6. **Approval of Commission Minutes.**

On a motion by Commissioner Sangiacomo and second by Alternate Commissioner Owen, the minutes of January 5, 2017 were approved as submitted.

7. **Financial Report.**

Mr. Keene presented (1) the Consolidated Balance Sheet – District and OSSTA Funds for December 30, 2016, and (2) the Preliminary Consolidated District and OSSTA Budget to Actual for the six months ended December 31, 2016, and (3) the Sonoma County Pooled Investment Program for Quarter Ending December 31, 2016 and (4) the Sonoma County Quarterly Investment Report for Quarter Ending December 31, 2016.

8. **Creation of Ad Hoc Committee(s) and Assignment of Commissioners.**

The following committees were formed and commissioners assigned:

- Audit Review – Commissioners Anderson and Owen
- Finance/Investment – Commissioners Sangiacomo and Owen
- Matching Grant Program – Commissioners De La Cruz and Owen
- District Office Location Scenarios – Commissioners Anderson and Koenigshofer

9. **Mitigation Guidelines Review.**

The item was continued to the March meeting.

10. **Closed Session.**

The Commission adjourned to closed session at 5:20 pm.

Note: Commissioner Koenigshofer recused himself from the Hansen Ranch discussion.

11. **Report on Closed Session.**

The Commission reconvened to Open Session at 7:55 pm and reported the following:

Howlett Ranch

Resolution No. 2017-001

On a motion by Commissioner Sangiacomo and second by Commissioner De La Cruz the Commission unanimously determined that that District's contribution for the proposed

acquisition does not exceed fair market value of open space interest being acquired by the District.

Cresta III

Resolution No. 2017-002

On a motion by Commission Anderson and second by Commissioner De La Cruz, the Commission unanimously determined that the District's contribution for the proposed acquisition does not exceed fair market value of open space interest being acquired by the District.

Hansen Ranch

Resolution No. 2017-003

On a motion by Commissioner Anderson and second by Commission De La Cruz, the Commission determined that the District's contribution for the proposed acquisition does not exceed fair market value of open space interest being acquired by the District. The vote was 4 - 0, with Commissioner Koenigshofer absent (recused).

12. **Suggested Next Meeting.** April 6, 2017

13. **Adjournment.**

The meeting adjourned at 8:03 pm.

Respectfully submitted,

Sue Jackson
Deputy Clerk

Sonoma County Agricultural Preservation and Open Space District
Consolidated Balance Sheet - District and OSSTA Funds
January 31, 2017

Assets

Cash and Investments	\$61,498,852
Unrealized Gains and Losses	
Prepaid Expenditures	949
Other Current Assets	25,000
Intergovernmental Receivables	25,626

Total Assets	<u><u>\$61,550,427</u></u>
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Liabilities and Fund Balance

Current Payables	\$23,014
Accrued Exp/Other Current Liab	6,323
Customer Deposits	50,000
Long-Term Liabilities	30,000

Total Liabilities	<u>109,337</u>
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Fund Balance

Nonspendable - Prepaid Expenditures	
Restricted - District Activities	61,441,090
Total Fund Balance	<u>61,441,090</u>

Total Liabilities and Fund Balance	<u><u>\$61,550,427</u></u>
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Cash by Fund

OSSTA - Measure F	\$55,611,513
Open Space District	2,193,794
Fiscal Oversight Commission	24,719
Stewardship Reserve	
Cooley Reserve	148,922
Operations and Maintenance	3,519,904

Total Cash by Fund	<u><u>\$61,498,852</u></u>
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Sonoma County Agricultural Preservation and Open Space District
Preliminary Consolidated District and OSSTA Budget to Actual
For the seven months ended January 31, 2017
58.3% of Year Complete

	Budget Final	Actual Year to Date	Encumbrances Year to Date	Remaining Balance	% of budget Remaining
Revenues					
Tax Revenue	\$21,320,000	\$9,756,028		\$11,563,972	54.24%
Intergovernmental Revenues	36,752,956	6,653,290		30,099,666	81.90%
Use of Money & Prop	495,000	208,164		286,836	57.95%
Miscellaneous Revenues		30,670		(30,670)	
Other Financing Sources	629,822	30,511		599,311	95.16%
Total Revenues	<u>59,197,778</u>	<u>16,678,663</u>		<u>42,519,115</u>	<u>71.83%</u>
Expenditures					
Salaries and Benefits	4,110,740	1,851,525		2,259,215	54.96%
Services and Supplies	7,222,727	1,551,568	\$2,372,397	3,298,762	45.67%
Other Charges	37,777,149	9,034,579	314,838	28,427,732	75.25%
Capital Expenditures	25,018,433	2,119,845	207,697	22,690,891	90.70%
Other Financing Uses	8,144,598	4,320,851		3,823,747	46.95%
Total Expenditures	<u>82,273,647</u>	<u>18,878,368</u>	<u>2,894,932</u>	<u>60,500,347</u>	<u>73.54%</u>
Net Earnings (Cost)	<u>(\$23,075,869)</u>	<u>(2,199,705)</u>	<u>(\$2,894,932)</u>	<u>(\$17,981,232)</u>	
Beginning fund balance		63,640,795			
Ending Fund Balance		<u>\$61,441,090</u>			

Note: Sales tax revenue is received approximately three months behind the date it is collected. Sales tax collected by January 2016 was \$9,499,309. Current collections are a 2.7% increase from the prior year.



MEMORANDUM

Date: February 2, 2017

To: Fiscal Oversight Commission

From: Sheri J. Emerson, Stewardship Program Manager

Subject: Draft District Mitigation Guidelines document for your review

The attached materials are provided in support of the discussion of the Mitigation Guidelines at your February 9, 2017 meeting.

1. Mitigation Guidelines, 1/20/17 Draft
2. Table of Example Proposals
3. PowerPoint presentation from your 1/26/17 meeting

Feel free to contact me directly at 565.7358 or sheri.emerson@sonoma-county.org with any questions or comments.



GUIDELINES FOR EVALUATION OF ENVIRONMENTAL MITIGATION-RELATED PROPOSALS

1/20/17 DRAFT

The following guidelines are intended to inform the evaluation of environmental mitigation-related proposals by the Sonoma County Agricultural Preservation and Open Space District (District) General Manager and staff. Included is a summary of the District and its land conservation work, a discussion of the District's role with respect to environmental mitigation, and the types of environmental mitigation proposals received by the District and the process for evaluating them.

I. THE SONOMA COUNTY AGRICULTURAL PRESERVATION AND OPEN SPACE DISTRICT

The Sonoma County Agricultural Preservation and Open Space District (District) was created in 1990 by the voters of Sonoma County to permanently protect the diverse agricultural, natural resource, and scenic open space lands of Sonoma County for future generations. Since 1990, the District has protected over 100,000 acres of open space and working landscapes via the purchase of conservation easements and fee title.

The District protects land in four main categories: Farms and ranches; Greenbelts and scenic hillsides; Water, wildlife, and natural areas; and Recreation and Education. Permanent protection involves conservation planning, acquisition, and perpetual stewardship of the land. The District typically will acquire an interest in land through purchase of a restrictive conservation easement. Where this is not feasible, the District may protect land through fee purchase, where the fee title is transferred to another entity at the time of project closing, or at a later date. Conservation easements are retained over all fee properties when ownership is transferred to another entity.

II. DISTRICT ROLE IN MITIGATION

A project or action which results in an adverse impact to the environment may be required to complete compensatory mitigation, pursuant to local, state, or federal law. The mitigation activity (habitat preservation or restoration, payment of an in-lieu fee, or other action) is intended to offset the impact.

Habitat mitigation typically takes the form of restoration, establishment, enhancement, or in certain circumstances preservation, of wetlands, streams, forested areas, or other types of habitats to compensate for the impacts. Habitat mitigation may be required by local, state, or federal regulations where consideration has already been given to avoidance and minimization of impacts. Review and

approval of a mitigation project plan, and assuring its successful implementation, is the role of the appropriate regulatory agencies.

Another form of environmental mitigation is the payment of a fee, or purchase of mitigation credits. These payments are intended to compensate for an impact, and the project proponent is then released from future obligations relating to the impact. Carbon auction revenues, intended to offset greenhouse gas emissions, are one example.

The District is not a land use approval entity or regulatory agency, and thus does not set mitigation ratios or issue regulatory permits for projects that impact habitat. The District's mission is focused on land conservation, through the permanent protection of land for future generations. Yet, environmental mitigation is a tool that may be utilized in the implementation of the District's land conservation priorities, to enhance and restore habitats on District-held conservation easements or fee title properties, or to acquire conservation easements over additional land.

III. ENVIRONMENTAL MITIGATION PROPOSALS AND EVALUATION PROCESS

There are two main types of environmental mitigation proposals that come to the District: (1) Proposed uses on District-held conservation easements, and (2) proposed projects, including grant funding towards District projects, new acquisitions, and partnership projects.

A. Proposed Uses on District-Held Conservation Easements and Review Process

The District will consider a proposal for a mitigation-related activity on lands protected with a District-held easement according to the permitted use request review process as described in the Board-adopted District Stewardship Manual. That process begins when a landowner submits a permitted-use request to the District describing the proposed use, which is reviewed by District staff within the timeframe allowed for in the easement. District staff will review the conservation purpose of the easement and the permitted and prohibited use provisions to determine if the proposed use is consistent. In general, proposed uses must enhance the conservation values identified in the easement. Easement language prohibiting commercial uses will be interpreted to prohibit mitigation projects that involve sale of mitigation credits. Any additional protections required by regulatory agencies in association with a mitigation project must be consistent with and subordinate to the District-held easement.

District staff may approve the request, approve the request with conditions, or deny the request. Additional conditions pursuant to County ordinance and State law may be required for District approval. The District's consistency determination may be appealed by the landowner by submitting a written request to the District Board of Directors.

B. Environmental Mitigation Project Proposals and Review Process

The District is eligible to receive funding towards planning, acquisition, and stewardship of easement or District-owned properties, or other District projects, through public agency grant programs, such as the Sustainable Agricultural Land Conservation (SALC) Program, California Regional Water Quality Control Board remediation funds, and the California Department of Transportation's Environmental Enhancement and Mitigation Program. For example, the SALC Program funds originate from the Greenhouse Gas Reduction Fund (established to receive Cap and Trade auction proceeds pursuant to

AB32 and SB375) and may be used to purchase agricultural conservation easements, development of agricultural land strategy plans, and other mechanisms that result in greenhouse gas reductions and a more resilient agricultural sector.

District may accept habitat mitigation-related funds to be used towards District acquisition of new conservation easements or fee title lands, only where acceptance and use of those funds is determined to be consistent with Measure F and existing acquisition priorities. District may accept habitat mitigation-related funds towards District enhancement or restoration projects on District-owned land, where acceptance of the funds both (a) supports identified District acquisition purposes and stewardship priorities, (b) is consistent with planned conveyance or disposition of the property, and (c) does not create an immediate or long term fiscal impact for the District. The District will not allow third parties to undertake mitigation projects on District-owned lands. District may complete mitigation projects on fee title properties to mitigate for unavoidable impacts resulting from a District maintenance or construction project, if all land use and regulatory approvals are secured, and the mitigation is consistent with identified District priorities.

Habitat mitigation may be specifically permitted in new conservation easements if it is identified during initial acquisition or land transfer negotiations as a necessary or appropriate use of the property in order to assure protection and/or enhancement of a conservation value of critical importance to the District. The District will also negotiate explicit language regarding mitigation in new open space easements, which are accepted by the District as a condition of the County of Sonoma development approval process.

Process to review proposed environmental mitigation projects

District staff will conduct an initial review of each proposed environmental mitigation project according to the criteria below. If the proposed project meets all of the criteria, and there are sufficient District staff resources available, the General Manager may make a determination to move forward with the project. If the General Manager determines that a proposed project does not meet the below criteria, the project will be declined. The General Manager's determination may be appealed by the project proponent by submitting a written request to the District Board of Directors.

Acceptance of mitigation-related grant funding or an interest in real property (conservation easement or fee title) must be approved by the Board of Directors, certifying by resolution that all of the below are met. If approved by the Board, the District will enter into a cooperative agreement with all relevant parties that details all legal, financial, and implementation responsibilities of each party. This will include recovery of all District costs associated with the project. The District would retain control of its own projects, including all aspects of project design and selection of contractors.

Criterion 1. The proposed project must be consistent with District's enabling legislation

The District was created in 1990 through approval of Measures A and C by the voters of Sonoma County. Measure F was passed in 2006, which reauthorized a ¼ cent sales tax to support the District through 2031. The open space designations eligible for protection under Measure F's 2006 Expenditure Plan include community separators, greenbelts, scenic landscape units, scenic corridors, agriculturally-productive lands, biotic habitat areas, riparian corridors and other areas of biotic significance, and other open space projects. Protection is accomplished primarily through the purchase of development rights from willing sellers in areas designated in the County's and Cities' General Plan open space elements,

but may also include the purchase of fee interests consistent with the Expenditure Plan open space designations.

As the District is a sales tax-funded organization with a voter-approved expenditure plan, the District must be certain that all expenditures are appropriate. Towards that end, the District receives an independent audit each year of the District's expenditures, which is reviewed by the Fiscal Oversight Commission in an independent audit each year, pursuant to Board Resolution 10-0832.

California law limits the District's ability to reconvey an interest in any real property that has been dedicated for park or open space purposes (California Public Resources Code 5540). Such a reconveyance requires approval of the State legislature in addition to approval by the District's Board of Directors, or a vote of the people of Sonoma County in a special election. In some cases the District may exchange a limited amount of interest in real property each year, with unanimous approval of its board of directors, for interest in real property that the board determines to be of equal or greater value and is necessary for park or open space purposes.

Criterion 2. The proposed project must be aligned with the District's objectives and goals

The goals from the District's Board-adopted Acquisition Plan, *Connecting Communities and the Land*, currently guide the actions of the District. They are:

- Maintain the county's rich rural character and the unique qualities of each city and areas throughout the county that help provide our sense of community.
- Support the economic vitality of working farms to preserve the agricultural heritage and diversity of the county.
- Protect the ridgetops, coastal bluffs, hillsides, and waterways that create the county's striking natural beauty.
- Provide connections between urban areas, parks and natural areas throughout the county for both people and wildlife.
- Preserve diverse natural areas that provide habitat for wildlife.
- Protect the waterways and associated natural lands that maintain water quality and supply.
- Partner with local agencies and organizations to leverage funding for land protection, foster stewardship, and provide opportunities for recreational and educational experiences.

As the Board adopts future guidance documents (including the District's Comprehensive Plan which is currently in preparation), the approved goals and objectives therein will be used to guide a determination with this criterion.

Criterion 3. The proposed project must not present a risk to the District's long term fiscal stability

The District's sales tax funding is authorized through 2031. At that point, if the District is not reauthorized, the District will need to fund its perpetual easement stewardship obligations through the annual interest earnings from the Stewardship Reserve Fund. The financial planning that guides the investment strategy for this fund relies on certain assumptions of the nature and extent of required easement stewardship and land maintenance tasks.

Therefore, the District will not participate in a mitigation project that requires a long-term habitat monitoring commitment (as a consequence of the mitigation) that requires the District to undertake activities beyond the scope of the District's typical easement monitoring program. In addition, the District can not take on the liability and responsibility for project success; this liability needs to remain with the original project proponent.

For mitigation funding proposals, a cooperative agreement with all involved parties that describes legal, financial, and implementation responsibilities, must be approved by the Board of Directors before a project can move forward. If the District's costs related to review and implementation of mitigation-related proposals is beyond the scope of the District's standard practice, the District must recover those costs. On District-owned properties and on new easements, the District must recover the cost to acquire the land proposed for use as mitigation. The District may then use these funds to protect additional land.

Criterion 4. The proposed project must be consistent with other District commitments

District participation in an environmental mitigation project must be consistent with the District's other obligations. For example, participation in or approval of a mitigation project, or acceptance of mitigation-related funds, must not compromise the ability of the District to secure grants or other outside funding sources for District projects and programs, and the mitigation project or funding must be consistent with any grants that funded the acquisition or development of a property.

The District will not accept mitigation funds towards District projects on fee properties if the use of those funds will require encumbrances in addition to those typically included (such as a Forever Wild designation) in District-held conservation easements or in any other document (such as a transfer agreement, agricultural or recreational covenant) required upon transfer of fee title to a receiving entity. The proposal must be consistent with the planned disposition or conveyance option for the property.

Criterion 5. The proposed project must not present a risk to public support for the District

The District was created by the voters of Sonoma County to permanently protect the greenbelts, scenic viewsheds, farms and ranches and natural areas of Sonoma County. The District was one of the first organizations in the country established with a sales tax to protect both agricultural and open space lands, and to date has protected over 100,000 acres. The District works with willing landowners only to protect the unique landscapes of Sonoma County. The District operates according to the following guiding principles (as articulated in the District's Board-approved 2012-2015 Workplan): Protect the highest priority lands in the County; use taxpayer dollars efficiently and effectively; ensure long-term fiscal sustainability and institutional capacity; generate innovative solutions to accomplish the District's vision; operate transparently, share information, and be responsive to requests and ideas from the community; engage in high-quality planning using the best available data; and partner and collaborate to accomplish the District's mission.

The success of the District's work depends on the continuing support of the public, and upholding the public trust. The District may decline to participate in an environmental mitigation project if participation would result in a decline in public support for District initiatives, or result in the perception of a violation of the public trust.

DRAFT



Guidelines for Evaluating Environmental Mitigation Proposals

District Advisory Committee
District Fiscal Oversight Commission

Joint Meeting
January 26, 2017

Bill Keene, General Manager
Sheri J. Emerson, Stewardship Program Manager

Agenda for meeting



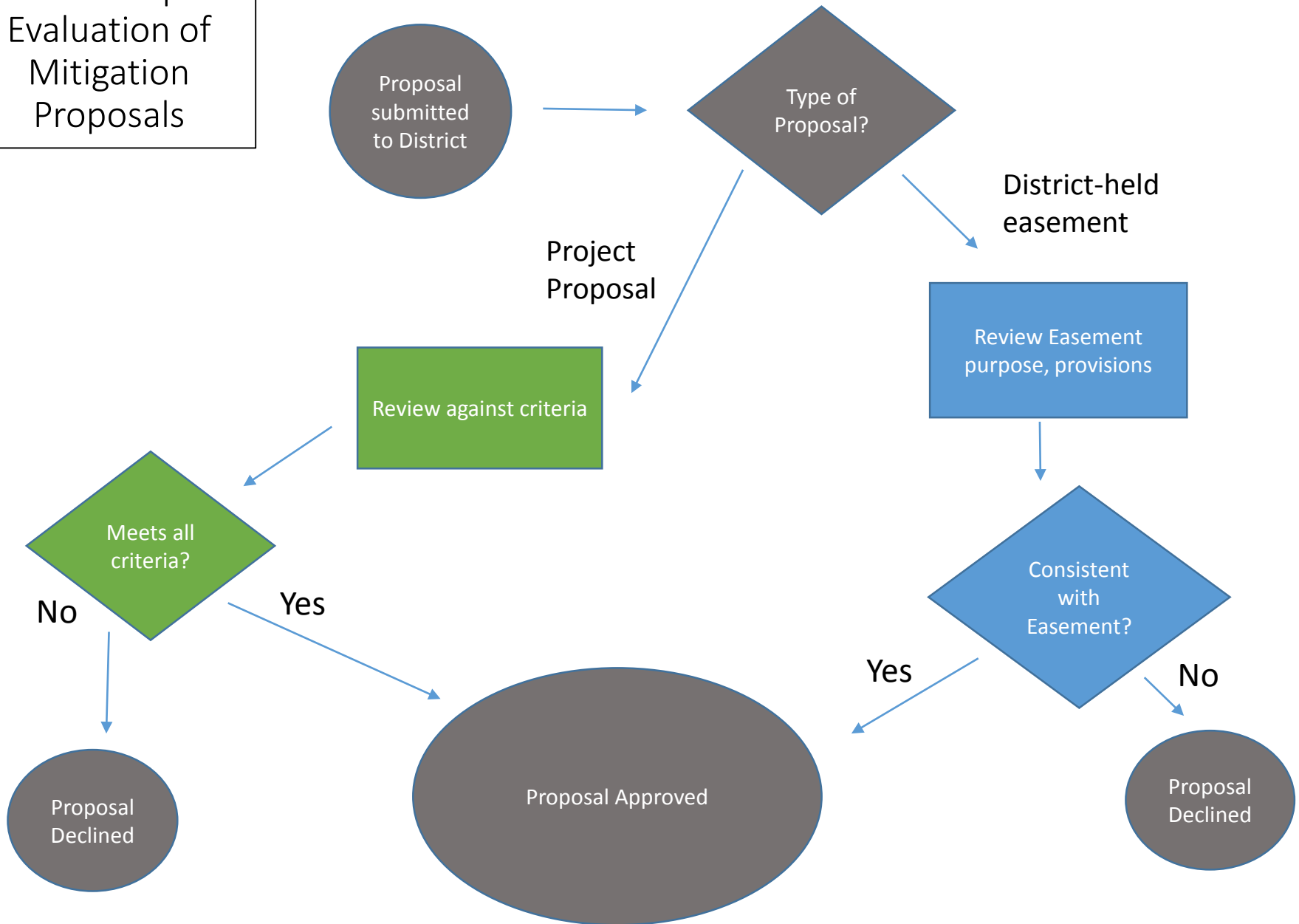
- Context
- Revisions to guidelines
- Review example proposals
- Discussion and possible action

Revisions



- Reorganization
- Proposals divided into two main types
 - Proposed uses on District-held easements
 - Proposed Environmental Mitigation Projects
- Inclusion of partnership opportunities
- Inclusion of criterion focused on public support for the District

Process Map for Evaluation of Mitigation Proposals



Use Request on District-held Easements

- Request received from landowner
- District staff review conservation easement purpose, and permitted/prohibited use provisions
- Board action may be required for approval
- Landowner may appeal District decision
- Board may hear appeal

All Other Proposals (grant funds, new easements, partnerships)

- Evaluate the Proposal Against Criteria
 - Authorized by Measure F and California law
 - Supports District goals and priorities
 - Not a risk to the District's long term fiscal stability
 - Consistent with other District commitments
 - Not a risk to public support for the District
- Must meet all criteria to approve
 - New easements to include explicit language
- Otherwise, decline
 - Board may hear appeal



Example Proposals

ESTERO RANCH. Private nonprofit landowner requested District approval of habitat enhancement project on District-held easement. Funding for project from Caltrans, to mitigate for bridge replacement project in same watershed.

- **Use request process.** Review proposal, review conservation easement purpose and provisions. Purpose to protect natural resources, habitat connectivity, open space and scenic, agriculture and recreation and education. Easement terms included reference to approval of mitigation projects pursuant to the District's administrative policy.
- **Public input** opportunity at time of acquisition (2015), and provided via comment letters, and in person at District Advisory Committee meeting. Committee members provided input on project. Public input provided at Board of Directors meeting (2016).
- **Outcome.** Board approved interpretation of easement to allow for the proposed use (2016).

MORRISON BROTHERS. Wetland mitigation bank created on privately owned ranch

- **Use request process.** Purpose to protect agriculture, open space, natural and scenic. Easement allows wetland creation for a mitigation bank.
- **Public input** opportunity at time of acquisition of easement via Board resolution in 1997.
- **Outcome.** District determined proposed use to be consistent with easement terms in 2003.

TAYLOR MOUNTAIN. Use of mitigation funding from another public agency proposed towards stream restoration work on Regional Park and Preserve property.

- **Use request process.** Purpose to protect scenic, natural resources, recreation, and education, agriculture. Easement prohibits mitigation for off-site impacts.
- **Public input** opportunity at time of acquisition of easement via Board resolution in 2013.
- **Outcome.** District determined proposed use not consistent with easement terms in 2014.

ROBLAR RANCH. Creation of special-status species preserve on District-held easement. Project to mitigate for impacts due to controversial private development project

- **Use request process.** Review proposal, review conservation easement purpose and provisions. Purpose to protect agricultural soils and viability and productivity, open space, and natural resources. Staff concerns focused on the controversial nature of the development project, and that the preserve creation would potentially decrease the agricultural value of the property.
- **Public input.** Opportunity at the time of acquisition (2004). Comment letters and public comments regarding the mitigation proposal submitted prior to and during Board meetings (2010).

- **Outcome.** Board approved interpretation of easement to allow for creation of a mitigation preserve, if certain conditions were met. These conditions included
 - Consistency with sound, generally accepted conservation and agricultural practices and applicable laws, ordinances, and regulations;
 - Consistency with the easement conservation purpose;
 - No significant impairment of agricultural use of the Property;
 - Ability for continued livestock grazing; any restrictive easements to be subordinate to easement; and
 - No sale of mitigation credits. Legal challenges were filed against the District, which were not successful

CRESTA RANCH. Funding provided to District towards riparian restoration project on District-owned property to compensate for habitat impact due to public transportation project.

- **Review Proposal against Criteria**

1. Habitat restoration authorized by Measure F
2. Consistent with District goals of restoring riparian habitat, protecting special status species
3. No fiscal risk since full cost recovery, and liability remains with funder
4. Consistent with plans to create the Mark West Regional Park and Preserve, located in area to be permanently protected through future conservation easement
5. Transportation improvement a necessary public project, generally supported

- **Public Input.** Public input at Advisory Committee and Board meetings.

- **Outcome.** Board approved funding agreement for the District to receive funds from Sonoma County Transportation Authority towards restoration project.

CRAMER/HALL ROAD PRESERVE. Partnership to acquire land, transfer to public agency. Sale of wetland mitigation bank credits funded additional land conservation work.

- **Review Proposal against Criteria**
 1. Measure F authorizes acquisition of fee title and easement
 2. Mitigation credits sold by California Dept Fish and Game, portion of funds disbursed to District towards additional land conservation
 3. No fiscal risk to District as liability for mitigation success, and cost of implementation and maintenance remained with CDFG
 4. Consistent with other District commitments at the time
 5. Not controversial at the time of the acquisition
- **Public Input.** Opportunity for input at Board meetings to acquire property, enter into funding agreement, and transfer District's property interest to California Department of Fish and Wildlife.
- **Outcome.** Board approved initial fee title purchase, later land transfer and resulting conservation easement. District received some funds from mitigation credit sale.

MATTOS DAIRY. Grant funds received by District towards acquisition of new agricultural easement, funding source came through the Sustainable Agricultural Lands Conservation Program from carbon auction revenues to mitigate for greenhouse gas emissions.

- **Review Proposal against Criteria**

1. Measure F authorizes acquisition of easement
2. Agricultural land protection a priority for the District
3. No risk as District is not taking on liability for mitigation success
4. Consistent with other District requirements
5. District use of the grant funds not considered controversial

- **Public Input.** Opportunity at Board meeting where approved the application for grant funds, and at a future meeting when the Board will consider acquisition of easement
- **Outcome.** Grant awarded to District in 2016, easement in negotiation

SONOMA COUNTY AIRPORT. Proposed project that would result in a new conservation easement. Property was restored for mitigation purposes to compensate for public project.

- **Review Proposal against Criteria**

1. Measure F authorizes acceptance of conservation easements, and California law allows the District to hold mitigation endowments
2. Required monitoring and land management activities are beyond typical District operations
3. Presents a fiscal risk as the District would take on liability for mitigation success, and responsibility for the endowment. Current investment policy would preclude receiving an adequate rate of return needed to support all necessary work.
4. Consistent with other District requirements
5. Public support may be affected by liability issue

- **Public Input.** Proposal was not brought forward for discussion.

- **Outcome.** Proposal declined in 2016

Summary and Next Steps

- Summary of Discussion
- Possible Action by Advisory Committee, Fiscal Oversight Commission
- Guidelines to Board for consideration

PROJECT TYPE	PRIVATE PROPERTY, PUBLIC PROJECT	PRIVATE PROPERTY, MITIGATION BANK
PROJECT DESCRIPTION	ESTERO RANCH: Private nonprofit landowner (The Wildlands Conservancy) requested District approval for habitat enhancement project (enhancement of drainages and wetland habitat) on District-held conservation easement. Funding for project from Caltrans to mitigate for impacts due to bridge replacement in same watershed. No sale of mitigation credits. No additional easement or encumbrance beyond a deed restriction planned. Responsibility for mitigation success to remain with the landowner.	MORRISON BROTHERS: Wetland mitigation bank on privately owned ranch protected by District-held conservation easement. Right to establish a wetland mitigation bank had been negotiated at the time of easement acquisition. Landowner submitted use request and District approved project; (however according to the CE the WMB was not subject to District approval).
PROPOSED USE ON DISTRICT HELD CONSERVATION EASEMENT		
Review of Conservation Easement purpose, and relevant provisions	Purpose is to protect natural resources, habitat connectivity, open space and scenic, agriculture and recreation and education. Easement terms included reference to approval of mitigation project pursuant to the District's administrative policy.	Purpose is to protect agriculture, open space, natural and scenic. Easement terms allow wetland creation for a mitigation bank.
ENVIRONMENTAL MITIGATION PROJECT		
Review against criteria 1-5	not applicable to existing easements, see above process	not applicable to existing easements, see above process
1. The proposal is consistent with the District's Expenditure Plan and the California Public Resources Code (enabling legislation)		
2. The proposal supports District priorities (as expressed within the Acquisition Plan, Comprehensive Plan, and other Board adopted policies)		
3. The proposal does not present a risk to the District's long term fiscal stability		
4. The proposal is consistent with other District commitments, and does not compromise the District's ability to meet some other obligation		
5. The proposal does not present a risk to public support for the District		
Public Input	Public input opportunity regarding easement language at the time of easement acquisition (2015). Input on this specific proposal provided via comment letters, and in person at District Advisory Committee meeting, and Board meeting in 2016.	Public input opportunity regarding easement language at the time of easement acquisition (1997). No public input opportunity regarding permitted use request, because determination made at staff level (2003).
Outcome	Board approved interpretation of easement to allow for the proposed use (2016). Caltrans is negotiating specifics with The Wildands Conservancy.	District determined proposed use to be consistent with the easement (2003).

PROJECT TYPE	PUBLIC PROPERTY, PUBLIC PROJECT	PRIVATE PROPERTY, PRIVATE DEVELOPMENT
PROJECT DESCRIPTION	TAYLOR MOUNTAIN: Regional Parks owns and operates property. Sonoma County Water Agency restoration funding available via their stream maintenance mitigation program; Parks requested District approval to apply these funds to plantings and stream restoration on the property.	ROBLAR RANCH: Mitigation preserve area for California tiger salamander and California red-legged frog proposed on land protected by a District-held conservation easement, to compensate for impacts due to rock quarry project on adjacent property. Easement area in two separate ownerships, preserve was proposed on only one of the ownerships. Proposed mitigation would benefit natural resources on easement property, proposed to not diminish agricultural value through limiting grazing land. No sale of credits. Quarry project considered to be controversial, strongly opposed by neighbors.
PROPOSED USE ON DISTRICT HELD CONSERVATION EASEMENT		
Review of Conservation Easement purpose, and relevant provisions	Purpose is to protect scenic, natural resources, recreation and education, agriculture. Easement terms allow mitigation for onsite impacts, but prohibits mitigation for off-site impacts. Funding source determined to be associated with off-site impacts.	Purpose is to protect agricultural soils and viability and productivity, open space, and natural resources. Easement terms silent on use of property for mitigation purposes; however it prohibits nonagricultural commercial uses.
ENVIRONMENTAL MITIGATION PROJECT		
Review against criteria 1-5	not applicable to existing easements, see above process	not applicable to existing easements, see above process
1. The proposal is consistent with the District's Expenditure Plan and the California Public Resources Code (enabling legislation)		
2. The proposal supports District priorities (as expressed within the Acquisition Plan, Comprehensive Plan, and other Board adopted policies)		
3. The proposal does not present a risk to the District's long term fiscal stability		
4. The proposal is consistent with other District commitments, and does not compromise the District's ability to meet some other obligation		
5. The proposal does not present a risk to public support for the District		
Public Input	Public input opportunity regarding easement language at the time of easement acquisition (2013). No public input opportunity regarding permitted use request, because determination made at staff level (2014).	Public input opportunity regarding easement language at the time of easement acquisition (2004). Comment letters and public comments submitted prior to and during Board meetings (2010).
Outcome	District determined proposed use not consistent with the easement because offsite mitigation explicitly prohibited by easement (Jan 2014).	Board approved interpretation of easement to allow for creation of a mitigation preserve, if certain conditions were met. These conditions included consistency with sound, generally accepted conservation and agricultural practices and applicable laws, ordinances, and regulations; consistency with the easement conservation purpose; no significant impairment of agricultural use of the Property; ability for continued livestock grazing; any restrictive easements to be subordinate to easement; and no sale of mitigation credits. Legal challenges were filed against the District, which were not successful.

PROJECT TYPE	PUBLIC FUNDING TOWARDS DISTRICT RESTORATION	PARTNERSHIP WITH PUBLIC AGENCY - MITIGATION BANK
PROJECT DESCRIPTION	CRESTA RANCH: Sonoma County Transportation Authority funds provided to District towards riparian enhancement project already underway at a District-owned property. Partial compensation for impacts to Mark West Creek downstream of Cresta Ranch, due to highway interchange/road widening project.	CRAMER /HALL ROAD PRESERVE: District partnered with California Department of Fish and Game (now Department of Fish and Wildlife) to purchase land for wetland and special-status species habitat creation and restoration. Mitigation credits were sold through California Dept Fish and Game to private developers to compensate for impacts from private projects. District received some of this revenue for use towards additional land protection activities. District transferred fee-title interest to California Dept Fish and Wildlife in 2016, retaining a conservation easement over the entire property.
PROPOSED USE ON DISTRICT HELD CONSERVATION EASEMENT		
Review of Conservation Easement purpose, and relevant provisions	not applicable to environmental mitigation projects-review against criteria below	not applicable to environmental mitigation projects-review against criteria below
ENVIRONMENTAL MITIGATION PROJECT		
Review against criteria 1-5		
1. The proposal is consistent with the District's Expenditure Plan and the California Public Resources Code (enabling legislation)	Restoration of riparian and wetland habitats authorized by Measure F. No prohibition on accepting mitigation-related funds towards that work.	Restoration of wetland habitat authorized by Measure F.
2. The proposal supports District priorities (as expressed within the Acquisition Plan, Comprehensive Plan, and other Board adopted policies)	Yes, riparian project underway already at Cresta to improve riparian corridor, and instream conditions for Coho salmon and steelhead trout. Consistent with the goals of restoring riparian areas, especially those that support special status species and provide wildlife habitat.	Yes, through restoration and permanent protection of wetland and special-status species habitat.
3. The proposal does not present a risk to the District's long term fiscal stability	No risk - District negotiated recovery of cost of land acquisition, planning and implementation of mitigation, and monitoring and maintenance costs, and liability for success of mitigation remains with Sonoma County Transportation Authority.	No risk - District did not take on responsibilty for managing the endowment, implementing mitigation, or for monitoring nor maintenance of the mitigation area.
4. The proposal is consistent with other District commitments, and does not compromise the District's ability to meet some other obligation	Regulatory agencies satisfied with planned conservation easement protections, to be established upon transfer of fee title of property to Regional Parks (2017). Consistent with disposition plans for the property.	Partnership consistent with outcome of District holding conservation easement over the entire property.
5. The proposal does not present a risk to public support for the District	Most comments from the public and advisory committee members were supportive of using mitigation funds from a public transportation project towards completion of important habitat restoration project on District-owned land.	Possible that there could have been public concern at the time of the land purchase that District-protected land was directly related in mitigating private development projects. However, since it was California Department Fish and Game as the partner, public support of the District does not seem to have been negatively affected.
Public Input	Public comments were submitted at the Advisory Committee and Board meetings.	Public input opportunity at the time of fee-title acquisition, and at the time of transfer of fee-title interest to California Dept Fish and Wildlife.
Outcome	Board approved the funding agreement for the District to receive funds from Sonoma County Transportation Authority towards the restoration project.	Board approved land purchase, and partnership agreement. District transferred fee-title interest to California Dept Fish and Wildlife in 2016, and retained a conservation easement over the entire property.

PROJECT TYPE	PUBLIC GRANT FUNDING FOR DISTRICT ACQUISITION	PARTNERSHIP - PUBLIC AGENCY MITIGATION
PROJECT DESCRIPTION	MATTOS DAIRY: \$750,000 Sustainable Agricultural Lands Conservation Program (SALCP) grant awarded to District to acquire agricultural conservation easement, 900 acres. In Stemple Creek watershed. Milk production for yogurt.	SONOMA COUNTY AIRPORT: District asked to hold conservation easement over a special-status species mitigation project area, manage a mitigation endowment, and to take on responsibility for monitoring and maintenance of the mitigation site. The mitigation was associated with the County airport facility.
PROPOSED USE ON DISTRICT HELD CONSERVATION EASEMENT		
Review of Conservation Easement purpose, and relevant provisions	not applicable to environmental mitigation projects-review against criteria below	not applicable to environmental mitigation projects-review against criteria below
ENVIRONMENTAL MITIGATION PROJECT		
Review against criteria 1-5		
1. The proposal is consistent with the District's Expenditure Plan and the California Public Resources Code (enabling legislation)	Acquisition of conservation easement authorized by Measure F.	Acquisition of conservation easement authorized by Measure F. District is legally allowed to manage endowments.
2. The proposal supports District priorities (as expressed within the Acquisition Plan, Comprehensive Plan, and other Board adopted policies)	Yes, through permanent protection of additional agricultural land.	No, as this proposed action would be outside of the District's current easement monitoring practice.
3. The proposal does not present a risk to the District's long term fiscal stability	No risk to fiscal stability of district.	There is a risk to District's fiscal stability as there would likely not be adequate funding in the endowment to cover all necessary monitoring and maintenance activities. Also, constraints on District's ability to invest its funds limit the annual return that can be earned on an endowment. The result is that the fund balance would be spent down until gone, and a new funding source would need to be identified to cover the annual costs.
4. The proposal is consistent with other District commitments, and does not compromise the District's ability to meet some other obligation	District will hold a conservation easement over the property.	District would hold a conservation easement over the property, but would take on the liability for the success of the mitigation site.
5. The proposal does not present a risk to public support for the District	Public support for District's acquisition of agricultural easements. Seems to be support for use of carbon auction revenues for this purpose.	Though the District may be seen as an entity that can hold mitigation-related conservation easements, the increased liability and fiscal risk that the District would take on by participating in the project would potentially cause concern among the public.
Public Input	Public input opportunity at the time of grant application, Board meeting. Will be opportunity for input on project at time of Board approval of easement acquisition.	The proposal was declined prior to any public comment.
Outcome	District awarded the grant, easement is being negotiated now. Will bring seek Board approval for acquisition.	District declined to participate in the project.