



SUMMARY REPORT

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**Agenda Date:** 5/19/2026

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**To:** Board of Directors of the Sonoma County Agricultural Preservation

**Department or Agency Name(s):** Sonoma County Agricultural Preservation and Open Space District

**Staff Name and Phone Number:** Misti Arias, General Manager, 565-7264; Jacob Newell, Stewardship Supervisor, 565-7357; Kendall Gutt, Stewardship Assistant, 565-7265

**Vote Requirement:** Majority

**Supervisorial District(s):** Fifth

**Title:**

Subordination Agreement for City of Santa Rosa Farms Mitigation Preserve

**Recommended Action:**

Authorize the Board President to execute an agreement with City of Santa Rosa and Center for Natural Lands Management to subordinate a 99-acre portion of the Ag + Open Space's City of Santa Rosa Farms Conservation Easement to a mitigation bank easement to be held by the Center for Natural Lands Management to enable the City of Santa Rosa to establish a mitigation preserve for City projects.

**Executive Summary:**

The Sonoma County Agricultural Preservation and Open Space District ("Ag + Open Space") holds a Conservation Easement over the 1,411.84-acre City of Santa Rosa Farms property ("Property"), located along the eastern bank of the Laguna de Santa Rosa, owned by the City of Santa Rosa and managed as part of their wastewater treatment facility. In 2021, District staff determined that a City of Santa Rosa proposed mitigation bank at the Property would be consistent with the Conservation Easement. The purpose of the District's Conservation Easement is "to preserve the Property's open space, scenic and biotic values," and the mitigation bank would involve the City of Santa Rosa developing and enhancing wetlands on the Property, in furtherance of these values. The mitigation bank site provides, or will provide, high quality natural, established, restored and/or enhanced habitat for California tiger salamander and contains, or will contain, California tiger salamander upland habitat and restored, created, enhanced, and/or preserved jurisdictional Waters of the United States.

Establishing the mitigation bank requires the City to convey a new conservation easement over the site, which will overlap with the District's Conservation Easement. The new conservation easement will be held by Center for Natural Lands Management and is not anticipated to conflict with the District's ongoing stewardship of its Conservation Easement interest in the same land. Notwithstanding the District's determination that there is no conflict between the two conservation easements, the Interagency Review Team responsible for permitting mitigation banks requires that existing conservation easements be subordinated to the mitigation bank easement to assure that the requirements of the mitigation bank easement, control to the extent of any conflict.

Ag + Open Space is requesting authorization be given to the Board President to execute an agreement that would subordinate Ag + Open Space's Conservation Easement to the Center for Natural Lands Management's

mitigation bank easement, to the extent of a conflict.

**Discussion:**

The Sonoma County Agricultural Preservation and Open Space District (“Ag + Open Space”) acquired a Conservation Easement (“Conservation Easement”) over the 1,411.84-acre City of Santa Rosa Farms (“Property”) in 2001 “to preserve the Property’s open space, scenic and biotic values.” The Property contains seasonal and perennial wetlands, riparian forests, valley oak savannah, vernal pools, open water and riverine habitats, all of which are important to resident and migrating wildlife. The Property is operated in conjunction with the nearby Laguna Wastewater Treatment Plant, which cleans sewage from homes and businesses throughout the region so that it can be reused safely with beneficial outcomes. Treated wastewater from the facility has been used to irrigate the pastures and hay fields on the Property.

In 2021, the City of Santa Rosa requested approval from Ag + Open Space to establish the Kelly Farm Mitigation Bank on a 99-acre portion of the Property, which would provide high quality natural, established, restored and/or enhanced habitat for California tiger salamander (CTS) and restored, created, enhanced and/or preserved jurisdictional Waters of the United States on land currently used for hay production. The City would use credits from the bank to mitigate for City projects, which may include developing a levee around the Laguna Wastewater Treatment Plant.

Ag + Open Space staff reviewed the request with particular regard to how the proposed mitigation bank relates to the District’s Conservation Easement provisions related to habitat restoration and enhancement, surface alteration, conveyance of new easements, and commercial uses within the identified “Upland Area” (site location), as well as the conservation purpose and potential impacts to existing agricultural uses. Ag + Open Space staff determined that the City’s proposal to establish a CTS and wetland mitigation bank, including restoring and enhancing the project site and associated surface alteration, the conveyance of a new easement in furtherance of the mitigation bank, and use of the resulting mitigation credits only for public projects is consistent with the Conservation Easement and Ag + Open Space’s Mitigation Policy, and therefore staff approved the City’s request.

Although it is unlikely a conflict will arise between the requirements of the Conservation Easement and the Mitigation Bank Easement (“Mitigation Bank Easement”), the Interagency Review Team responsible for permitting mitigation banks requires that existing easements be subordinated to the Mitigation Bank Easement to assure that the requirements of the Mitigation Bank Easement control to the extent of any conflict between the Mitigation Bank Easement and the District’s Conservation Easement.

The Interagency Review Team, with County Counsel, developed a Subordination Agreement (“Subordination Agreement”) that satisfies agency requirements and protects the District’s conservation interests. Ag + Open Space is recommending approval of this Subordination Agreement because the wetland restoration proposed as part of the mitigation bank would greatly improve the biotic values of the Property in furtherance of the stated purpose of the Conservation Easement. Additionally, the mitigation bank would facilitate the City in undertaking various municipal improvement projects which are essential to the community. Subordinating Ag + Open Space’s Conservation Easement poses minimal concern because the Mitigation Bank Easement purpose aligns with the purpose of the District’s Conservation Easement.

**Strategic Plan:**

N/A

**Racial Equity:**

**Was this item identified as an opportunity to apply the Racial Equity Toolkit?**

No

N/A

**Prior Board Actions:**

2001 Approval of execution of agreement with City of Santa Rosa for acquisition of a conservation easement over Kelly Farms in the area of the Laguna de Santa Rosa.

2010 accept a trail easement from the City of Santa Rosa over Kelly Farm; recording Quitclaim Deed releasing additional trail rights in Kelly Farm; authorizing the Director of Regional Parks to apply for permits and licenses or agreements necessary for construction, operations and management of a trail; and accept an easement from the Sonoma County Water Agency.

2010 Making findings that the proposed Kelly Farm Trail Easement from the City of Santa Rosa to the County over Kelly Farm is consistent with the Conservation Easement and enter into a trail operations and management agreement with the County in connection with Phase 1 of the Laguna de Santa Rosa Protected Lands Trails Project.

**FISCAL SUMMARY**

N/A

**Narrative Explanation of Fiscal Impacts:**

N/A

**Narrative Explanation of Staffing Impacts (If Required):**

N/A

**Attachments:**

1. Subordination Agreement
2. Maps of Project Area
3. Resolution of the Board Of Directors of Sonoma County Agricultural Preservation and Open Space District Consenting to a Subordination Agreement to Allow the Establishment of a City Owed Mitigation Bank on the Kelly Farms Property

**Related Items "On File" with the Clerk of the Board:**

1. Mitigation Bank Easement
2. City of SR Farms Conservation Easement
3. 2021 Permitted Use Request Approval Letter
4. Board Item for acquisition of City of SR Farms

