



SUMMARY REPORT

Agenda Date: 9/19/2023

To: Board of Directors of the Sonoma County Agricultural Preservation and Open Space District
Department or Agency Name(s): Sonoma County Agricultural Preservation and Open Space District
Staff Name and Phone Number: Sheri Emerson, 707-565-7358
Vote Requirement: Majority
Supervisorial District(s): Countywide

Title:

Land and Easement Stewardship Workshop

Recommended Action:

- A) Receive Land and Easement Stewardship Overview and Update;
- B) Authorize and direct the General Manager of the Sonoma County Agricultural Preservation and Open Space District to work with the Sonoma County Auditor-Controller-Treasurer-Tax Collector to establish an endowment fund to support Ag + Open Space stewardship activities beyond the end of Measure F, if the measure is not reauthorized; and
- C) Direct the General Manager to work with state representatives to propose State legislation to allow the endowment fund to earn a higher interest rate than is currently available as part of the County's investment pool.

Executive Summary:

Since 1990, the Sonoma County Agricultural Preservation and Open Space District has invested nearly \$440 million to protect over 123,000 acres of land in Sonoma County, partnering with many different organizations and private landowners in a variety of ways to have an even greater collective impact in the region. Stewardship of Ag + Open Space-protected lands (properties where public funds have been spent on preserving land for agricultural, natural resource, open space, and recreational purposes) ensures that those public investments are protected in perpetuity. Ag + Open Space uses conservation easements, legally binding agreements that restrict development and uses, to permanently protect land. A conservation easement 'runs with the land' regardless of current or future fee title ownership of that land, and the obligation of the easement holder to monitor and enforce the conservation easement terms continues as well.

Stewardship actions include, and are not limited to, maintenance of infrastructure and management of natural and agricultural resources on the approximately 1,200 acres of land that Ag + Open Space owns, monitoring and enforcement activities of conservation easements, providing technical support to easement landowners and connecting landowners, partners, and the general community with funding opportunities and other resources to help them responsibly manage land throughout the county. A thorough description of Stewardship actions are described in more detail under the discussion.

While the District has every expectation that it will be reauthorized by voters before Measure F sunsets in

March of 2031, it is imperative to establish a stable funding source now to ensure that the Ag + Open Space protected lands portfolio will continue to be stewarded for future generations.

Working with the Center for Natural Lands Management, a non-profit organization with nationally recognized expertise in planning for long-term land stewardship obligations, Ag + Open Space staff have developed an Endowment Fund model to estimate costs of land and easement stewardship activities under different scenarios. The endowment fund balance necessary to generate enough interest to support stewardship activities depends on the achieved rate of return. Ag + Open Space funds are currently held in the County Treasury pool, where they earn 1-2% interest. For example, in 2031 Ag + Open Space expects to hold 450 easement ownerships, which would cost an estimated \$2.5 million per year for required stewardship and related activities. A fund balance of \$124 million, \$62 million, and \$41 million would be required with an earnings rate of 2%, 4%, and 6%, respectively, to generate \$2.5 million earnings each year. In order to achieve a stable fund balance in perpetuity, the Center for Natural Lands Management has recommended a target average earnings rate of 4.5%, which is conservative but would allow for preservation of the fund balance over time.

In 2015, Ag + Open Space restructured existing Measure F Revenue bonds using approximately \$9 million in funds from the Stewardship Reserve Fund to pay down the bond debt more quickly and at a lower interest rate. The bonds will retire in FY 2024, leaving the \$7.5 million annual payment available to fund the Ag + Open Space Endowment (if and when established) until the sunset of Measure F in March of 2031. If the Board appropriates the funds as recommended by the Fiscal Oversight Commission, the total contribution over the six year period to the Ag + Open Space Endowment Fund is expected to be approximately \$45 million.

In 2023, an Ad Hoc Joint Endowment Subcommittee of the Advisory Committee and Fiscal Oversight Commission was formed to review the Endowment cost model and consider various ways to achieve a higher investment earnings rate. The Subcommittee supports the proposed cost model and concurs with the recommendation of Macias, Gini, & O'Connell, LLP that Ag + Open Space should propose a legislative change to increase its investment options.

Discussion:

Sonoma County Agricultural Preservation and Open Space District (Ag + Open Space) conserves the unique landscapes in Sonoma County. Our mission is to permanently protect the diverse agricultural, natural resource, and scenic open space lands of Sonoma County for future generations. As outlined in the *Vital Lands Initiative*, we conserve:

- Agricultural Lands: Lands that support diverse, sustainable, and productive agriculture
- Community Identity: Open lands that surround and differentiate the county's urban areas and contribute to the unique scenic character of the county
- Healthy Communities: Open space and publicly accessible lands in and near cities and communities and connect people with protected lands
- Water: Natural lands and aquatic habitats that support sustainable aquatic ecosystems and water

resources

- Wildlands: Natural lands and terrestrial habitats that support plants, wildlife, and biodiversity

Since 1990, Ag + Open Space has invested nearly \$440 million to protect over 123,000 acres of land in Sonoma County, partnering with many different organizations in a variety of ways to achieve an even greater collective impact in the region. Ag + Open Space protects land for life - to enhance our community's resilience to climate change, to preserve local nature and wildlife, to protect our farms and ranches, to maintain the scenic beauty of our county, and to conserve places for all of us to to experience and enjoy nature, healthy food, clean water, fresh air, and exercise.

Ag + Open Space-preserved lands are varied and are located across the county. Properties range from public parks like the Taylor Mountain Regional Park and Open Space Preserve, to Matching Grant Program projects such as the Roseland Creek Park and Preserve, to agricultural lands and dairies like Bianchi Dairy, to working forests like Pryor Ranch, to natural grasslands like the Van Hoosear Wildflower Preserve, to coastal preserves with extensive public trails like Jenner Headlands. Many Ag + Open Space-protected properties include public access to bike pathways, walking trails, urban parks, and community gardens, as well as scenic vistas along the Sonoma Coast, highway corridors, and many other scenic roads and places within the county. Through stewardship, Ag + Open Space ensures permanent protection of these vibrant lands and creates inviting open spaces throughout Sonoma County, providing an opportunity for residents and visitors alike to experience open space.

Ag + Open Space also actively works to enhance the community's understanding of and connection to that land. For over 20 years, Ag + Open Space has partnered with nonprofits and other local service providers to offer public outings, youth education, and workforce development programming that connect community members with the natural and working lands we have conserved through in-person and virtual experiences. This program increases awareness of and engagement of people of all ages with protected lands, providing safe and enjoyable opportunities to experience open spaces, and serves to inspire the current and next generation of conservation leaders. Staff and program partners are further refining the program to include a focus on equity and justice in land conservation and enhancing the community's connection to privately held conservation lands.

The Sonoma County Vegetation Management Grant Program, currently housed within Ag + Open Space but funded through PG&E wildfire settlement funds, provides resources and grant funding for vegetation management in areas at high risk of wildfire. With the approved grant projects for 2023, the funds will have distributed approximately \$12 million to 65 community-driven projects across the county and has supported the work of local and regional fire districts, local Firewise and Community Wildfire Prevention Plan projects, Resource Conservation Districts, homeowner associations, nonprofit organizations, Tribes, and resource managers. Funded projects include implementing shaded fuel breaks, increasing grazing and calming zones, and more - all of which are designed to slow or prevent the spread of wildfire in our community. Sonoma County is all too familiar with the negative effects of wildfire in our communities, including property damage, toxic wildfire smoke, disruption of essential services and daily life, reduction of available housing, and most tragically, loss of human life. These effects are felt most acutely by our low-income residents and communities of color.

There are direct benefits to landowners who choose to conserve their land but, more importantly, each of these projects results in broad public benefits for everyone living in, working in, and visiting our community. These benefits include clean air and water, access to locally grown foods, carbon sequestration and climate adaptation, decreased risk from extreme events, scenic vistas, and vibrant natural lands for both wildlife and recreation. This work furthers both the *Vital Lands Initiative* Goals and Objectives and the *Sonoma County Strategic Plan* Climate Action and Resiliency 5.2 and Organizational Excellence 1.4 and 4.1.

The Stewardship Program's purpose is to ensure that lands preserved by Ag + Open Space and the benefits that they provide are protected, forever. Stewardship of Ag + Open Space-protected lands (properties where public funds have been spent on preserving land for agricultural, natural resource, open space, and recreational purposes) ensures that those public investments are protected in perpetuity. Stewardship of land and easements is conducted as described in the *Stewardship Policy*.

Conservation Easement Stewardship

When Ag + Open Space was created in 1990, over 90% of the county was in private ownership. Sonoma County needed a land protection approach that would stretch limited local funding, protect both natural and agricultural lands, and be effective on lands primarily in private ownership. The intention was for Ag + Open Space to best leverage its resources to maximize land protection in Sonoma County. It was well known at the time that long term land management was enormously expensive, and so the voter-approved Expenditure Plan states that preservation of agriculture and open space would be done primarily through the purchase of development rights. Conservation easements were identified as the most cost effective, legally binding agreement that would run with the land and best ensure permanent protection of identified open space designations while the lands remain in private or another agency's ownership.

In order to ensure the public retains the value of the dollars it invested in local land conservation, the acquisition of a property or conservation easement must be followed up by responsible stewardship of the land. Stewardship includes the monitoring and enforcement of conservation easements held by Ag + Open Space as to approximately 123,000 acres of land in Sonoma County. For each of the 331 conservation easement ownerships, staff respond to inquiries, and permitted use and amendment requests, and address any violations discovered during easement monitoring visits, which are conducted in person or remotely through analysis of aerial imagery. Staff also work with new successor landowners to help them understand how their goals for a property align with the conservation easements that protect their land.

Examples of our stewardship work on some of the conservation easements in our protected lands portfolio include:

- Easement monitoring visits, review and approval of a forest management plans and timber harvest plans, and consideration of a proposed abalone center on the 688-acre Kashia Coastal Reserve, located on the Sonoma coast and protected in partnership with the Trust for Public Land, government agencies, non-profits, and the Kashia Band of Pomo Indians of the Stewarts Point Rancheria;
- Consideration of requests for uses, such as constructing new or expanded agricultural structures, levee maintenance, and an easement amendment to clarify the location of the building envelope to ensure

the scenic open space value of the 368-acre Cloudy Bend property, a sheep ranch located along Lakeville Highway along the eastern bank of the Petaluma River, on reclaimed land below sea level;

- Review and approval of a Master Plan for the 5-acre Bayer Neighborhood Park and Gardens, a public park located in Roseland focused on agricultural education and community gardening, which is owned by the City of Santa Rosa, with on-site programming by LandPaths;
- Close coordination on post-wildfire timber harvest and forest restoration at the 1,500-acre Pryor Ranch, Ag + Open Space's first working forest conservation easement. Ag + Open Space's review and approval of these projects assisted the landowner in meeting timeframes for grant funding, helped to ensure that the project design incorporated natural resource habitat conservation measures, that the losses from the Walbridge Fire were recouped, and that the salvage logging operation was completed in sensitive way given that the property includes portions of the steelhead-bearing Press and John Gordon Creeks;
- Examples of easement violations that require follow up enforcement action (including follow-up conversations, letters, checking conditions at the next monitoring visit, issuance of a formal Notice of Violation, or taking legal action if necessary) have included unpermitted debris piles, prohibited commercial uses, prohibited signage, unpermitted structures or improvements, neighbor encroachments, clearing of riparian or other sensitive vegetation, special events not allowed by the easement, subdivision of the land, significant grading, cannabis cultivation operations, and many others;
- Ag + Open Space has directly contributed to the addition of over 10,800 acres of land to the Sonoma County Regional Park system, in each case retaining a conservation easement over those properties. New and expanded Regional Parks and Open Space Preserves have included Taylor Mountain, North Sonoma Mountain, Hood Mountain, Mark West Creek, Sonoma Valley, Tolay Lake, Carrington Coast Ranch, Monte Rio Redwoods, Wright Hill Ranch, Calabazas Creek, and soon Chanslor Ranch. Other projects have included Cloverdale River Park, Riverfront Regional Park, Sunset Beach, and Mom's Beach along the Russian River; Andy's Unity Park, Tom Schopflin Fields, and trails such as the Laguna trail, Estero Trail, Santa Rosa Creek Greenway (Three Bridges), portions of the West County Trail, and future sections of the California Coastal Trail near Stewarts Point. Conservation easements that protect these cherished properties are stewarded in the same manner as all others in Ag + Open Space's protected lands portfolio, whether in public or private ownership.

Fee Land Management

Stewardship actions also include maintenance of infrastructure and management of natural and agricultural resources on the approximately 1,300 acres of land that Ag + Open Space owns, in accordance with the *Fee Lands Strategy*. This involves fuels and vegetation management, habitat restoration, invasive species control, and road and structure maintenance. Agricultural use including grazing and farming occurs on almost all of the lands owned by Ag + Open Space. Properties range from 20-75 acre agricultural lands surrounding Santa Rosa and Rohnert Park, to smaller properties containing rare and culturally significant plant species, to a creekside preserve in the center of urban Santa Rosa and the 960-acre Saddle Mountain Open Space Preserve located at the eastern edge of Santa Rosa above Rincon Valley.

The Saddle Mountain Open Space Preserve is an example of Ag + Open Space's multiple objective approach to land management. Ag + Open Space acquired this property in fee in 2006, preventing subdivision into 29 estate parcels. The Preserve's habitats include portions of four creeks and associated riparian corridors, diverse forests and woodlands, native grasslands, chaparral, and nine known special-status plant species as well as habitat for diverse and rare wildlife species. In 2020, the Glass Fire burned the entire property. The fire's effects across the Preserve were patchy, with higher severity areas confined to two ridgelines and the dry, easternmost portion of the preserve. Elsewhere, the fire primarily moved through the Preserve as a ground fire, consuming downed, woody debris on the forest floor and killing small Douglas-fir saplings that had begun crowding oak woodland and other hardwood and redwood forest areas. In the wake of the fire, Ag + Open Space repaired fire suppression damage, removed burned structure debris, improved a stream crossing at a burned culvert location, and addressed a large number of hazardous trees along roadways. In the three years since the fire, Ag + Open Space has completed nearly 120 acres of priority understory thinning, two strategic shaded fuel breaks, pile burning to safely reduce hazard fuels, and planning for approximately 30 prescribed burn units.

The area where Saddle Mountain lies is claimed by both the Mishewal-Wappo people and Federated Indians of Graton Rancheria as part of their ancestral homeland, and the Mishewal-Wappo have taken an active role in collaborating on the stewardship of the Preserve. Ag + Open Space staff have been working with tribal representatives to ensure that stewardship actions on the Preserve support and are consistent with traditional Indigenous practices. Prescribed and cultural burning are planned, in addition to pile burns conducted this past spring in partnership with CalFire. Research conducted by Sonoma State University and others on the property is contributing to better scientific understanding of forest structure and change, fuels treatments, and effects on fire behavior and fire hazard reduction. Several times per year, public outings, volunteer trainings, forest management and fire ecology tours and presentations create opportunities to inform the community about the property, best management practices, and Ag + Open Space's broader work and mission.

Our stewardship of Saddle Mountain Open Space Preserve demonstrates that it is possible to reduce wildfire risk while at the same time protecting and enhancing biodiversity, enhancing carbon sequestration and resilience to climate change and extreme events, restoring beneficial fire to the land through cultural and prescribed burning, and creating opportunities to engage collaboratively with the community.

Technical Support and Resources

Stewardship activities are not just the work of a single program; this work is accomplished through the integrated efforts of staff within Ag + Open Space's Acquisition, Stewardship, Community Resources, and Administrative and Fiscal Services programs, along with our Board of Directors, Fiscal Oversight Commission, Advisory Committee, partnering agencies, special districts, tribes, non-governmental organizations, contractors, conservation easement landowners, and other members of the local community. Ultimately, Ag +

Open Space supports the use of land management best practices beyond our own land and easements, to provide related benefits throughout the County and region.

For example, the Vegetation Management Program, currently housed at Ag + Open Space but funded through PG&E wildfire settlement funds, seeks to provide funding and technical support for critical work to reduce the risk of wildfire across the County, to increase our community's resilience to wildfires, and to keep all of us safer. The Public Outings and Youth Education Program fosters connections of schoolchildren and the general public with Ag + Open Space-protected lands, where participants can learn about the many direct and indirect benefits of land conservation. The Matching Grant Program provides funding not just to preserve land in and near urban areas, but also to develop park amenities, create and support farms, and to restore natural habitats.

Stewardship also includes providing technical support and connecting easement landowners, partners, and the general community with funding opportunities and other resources to help them responsibly manage land throughout the County. Staff do this by providing resources and guidance via trainings, workshops, and individual conversations, including agriculture and natural resource specialists and staff with expertise in conservation biology, vegetation and wildlife ecology, wetlands, fire ecology, soil health, geology, forestry, outdoor education, real estate, grants, geography, spatial data analysis, and of course, conservation easement language. Ag + Open Space also provides a landowner resources hub on our website, and we partner with the County, Resource Conservation Districts, other agencies, nonprofits, schools, universities and other educational institutions, and other community partners to provide broad support and share information about best practices. Ag + Open Space also issues a general e-newsletter each month, and *LandLine*, an e-newsletter specifically for conservation easement landowners, four times per year.

Our Ongoing Commitment to the Land

Ag + Open Space is committed to pursuing reauthorization of our sales tax measure to extend our land conservation work into the future to protect and enhance our increasingly valued and unique agricultural, natural resource, scenic, and recreational land resources. State and federal administrations have committed to an ambitious conservation goal of protecting 30% of land and water areas by 2030, in alignment with international conservation efforts to address climate change and protect the estimated one million species worldwide at risk of extinction. Ag + Open Space, in collaboration with other public and private land conservation organizations, has preserved 21% of the county's lands, which is a good start but falls short of the 30% by 2030 goal.

Further, the fact remains that Sonoma County is considered a biodiversity 'hot spot', with a rich tapestry of microclimates and array of plant and animal species that depend on them. Since Sonoma County's natural and working lands are so unique in terms of biodiversity, and as seen in recent years, our human populations are highly vulnerable to the effects of climate change, Ag + Open Space is working to significantly increase its efforts to protect land and water in our region to ensure our community's resiliency.

Despite our hope that the community will extend the District's tax measure, the reality is that Measure F is scheduled to sunset in March of 2031. Ag + Open Space finds itself in a predicament, relying on a time-limited funding source to support a growing obligation to steward the lands preserved for the benefit of current and future generations. Ag + Open Space's responsibility to ensure compliance with conservation easements,

affirmative agriculture and recreation covenant documents is perpetual. These protections and obligations 'run with the land', from the original landowner to all successor landowners. As directed in the *Vital Lands Initiative*, Ag + Open Space must ensure that the organization has the funding required to safeguard the investment our community has made to conserve land throughout the county if our sales tax is not reauthorized. Without secure funding, the stewardship (and thus permanent protection) of these public resources will be at risk.

In 2019, as part of our ongoing effort to improve our organization's work, Ag + Open Space conducted a land conservation best practices survey which included interviews with 13 land conservation organizations across the Bay Area region to learn more about how they do their work. One of the questions asked was if an organization had a fund for perpetual stewardship obligations, and if so, what revenue sources were used to fund it. Answers varied, but all interviewed organizations recognized the need to plan for long term stewardship needs, and establishing and funding some sort of endowment fund, where annual interest is earned from a target fund balance amount, was the most common strategy.

Proposed Ag + Open Space Endowment Fund

In 2015, Ag + Open Space restructured existing Measure F Revenue bonds using approximately \$9 million in funds from the Stewardship Reserve Fund to pay down the bond debt more quickly and at a lower interest rate. The bonds will retire in FY 2024, leaving the \$7.5 million annual payment available to fund the Ag + Open Space Endowment (if and when established) until the sunset of Measure F in March of 2031. Also in 2015, the Fiscal Oversight Commission issued Minute Order 13, recommending that, when the debt matured, the annual payment of \$7.5 Million be used to replenish the existing Stewardship Reserve Fund (or the Endowment Fund once it is established to take the place of the Stewardship Reserve Fund). If the Board appropriates the funds as recommended by the Fiscal Oversight Commission, the total contribution over the six year period to the Ag + Open Space Endowment Fund is expected to be approximately \$45 million. Staff plan to incorporate this transfer of funds into upcoming annual budget requests.

To ensure there is an adequate source of long-term funding to support the required stewardship of our protected lands and continued efforts to connect the community to those lands, Ag + Open Space staff worked with the Center for Natural Lands Management, a non-profit organization with nationally recognized expertise in planning for long-term land stewardship obligations, to develop an Endowment Fund model. The Ag + Open Space Endowment Fund model is based on estimated costs of easement stewardship activities for two scenarios: one where Ag + Open Space has the same protected lands portfolio as today (331 easement ownerships and 1,300 acres of fee title lands) and a second scenario where Ag + Open Space holds 450 easement ownerships and owns no fee title lands in 2031. Staff assume Ag + Open Space will have approximately 450 easements by 2031 because additional easements are anticipated to be acquired over the remaining life of the measure.

The model incorporates actual 3-year average land management and legal services costs, and an estimate of necessary administrative costs to support ten permanent staff, based on current expenditures. The model does not include funds set aside specifically for legal defense purposes. The model estimates an annual need of \$2.9 million and \$2.5 million per year to steward land and easement interests in 2023 and 2031, respectively. The Center for Natural Lands Management recommended a target average earnings rate of 4.5%,

which is conservative but would allow for preservation of the fund balance over time.

The endowment fund balance necessary to generate enough interest to support stewardship activities depends on the achieved rate of return. For example, under the 2023 portfolio scenario, a fund balance of \$143 million, \$72 million, and \$48 million would be required with an earnings rate of 2%, 4%, and 6%, respectively. Under the 2031 portfolio scenario, a fund balance of \$124 million, \$62 million, and \$41 million would be required with an earnings rate of 2%, 4%, and 6%, respectively.

Investment Limits and State Legislation

Ag + Open Space worked with financial services consultant Macias, Gini & O'Connell, LLP, to review various options for expanding the range of investments to earn a rate of return higher than what is currently available as part of the County's investment pool, in order to sustain a stable fund balance within the Ag + Open Space Endowment. The current rate of return on County-held investments is about 1-2%; however, the Center for Natural Lands Management recommends that an appropriate rate of return needs to be at least 4.5%.

Local agency investing is designed to be of a short-term nature, with five years as the maximum maturity, with some exceptions, based on the current state law (California Government Code Section 53601.) Local agency investments traditionally function on a short-term basis, as most local agencies' purposes are to provide fairly immediate services to taxpayers with the tax funds collected, while maintaining reasonable reserves for economic fluctuations, but not to keep funds for the purpose of earning long-term investment returns. That said, Ag + Open Space needs to retain funds for a much longer term and produce a return on investments that is greater than available under typical local government investment restrictions. As already mentioned, Ag + Open Space is in a unique situation where there is a perpetual obligation with a finite revenue stream.

In their review, Macias, Gini, & O'Connell, LLP, found that the model of government pension systems most closely represents the perpetual nature of Ag + Open Space's obligation to steward its land and easements beyond the potential sunset of the Measure F sales tax. Sonoma County has used this type of policy for the Sonoma County Employee's Retirement Association, also for the County's funds related to the Other Postemployment Healthcare Plan. These policies allow for longer term investments and alternative investment choices, beyond the limitations of the typical investments in a government investment pool, hence typically a higher rate of return is expected. Thus Macias, Gini, & O'Connell, LLP, recommends that Ag + Open Space seek a change in state legislation to allow for a diversification of investment options, such as that used by the County for the Other Postemployment Healthcare Plan.

In 2023, an Ad Hoc Joint Endowment Subcommittee of the Advisory Committee and Fiscal Oversight Commission was formed to review the Endowment cost model and consider various ways to achieve a higher investment earnings rate. The Subcommittee supports the proposed cost model and concurs with the recommendation of Macias, Gini, & O'Connell, LLP that Ag + Open Space should propose a legislative change to increase its investment options.

Ag + Open Space is obligated to continue to steward its land and easement interests in perpetuity, whether the sales tax is reauthorized or not. Land conservation is not just the act of acquiring a conservation easement

or purchasing land in fee - it requires ongoing, perpetual stewardship to ensure the conserved values will continue to benefit all residents of and visitors to Sonoma County, forever. Without secure funding, this critical work will not continue, and the benefits to the community (and the value of the investment of public funds since 1990) will be lost over time.

Racial Equity Analysis

Utilizing the Racial Equity Toolkit (Toolkit), published by the Government Alliance on Race and Equity (GARE), and the support of the Sonoma County Office of Equity, staff has expanded consideration of racial equity in Ag + Open Space decisions, including policies, practices, programs, and budgets. Staff recognizes the Toolkit can help to develop strategies and actions that can mitigate and reduce racial inequities and improve outcomes for local communities of color and other communities who have been historically excluded from receiving the benefits of our services. The Racial Equity Analysis for this item is included as Attachment 2.

The benefits of Ag + Open Space's land conservation actions are intended for all people that live, work, or visit Sonoma County. For example, research findings around open space resources identify increased positive mental and physical health outcomes of access to these areas. The Trust for Public Land's related research *Economic & Health Benefits of Open Space* (www.TPL.org/resource/economic-health-benefits), finds that community parks in underserved areas, many of which are communities of color, advance equity and well-being by promoting physical activity, improving mental health, reducing urban pollutants, sequestering carbon, and reducing flood risk by sinking and slowing runoff.

While many of the benefits of Ag + Open Space-protected properties are direct and tangible-such as parks that provide places to play, gather, and sit in the shade, or farms that sell produce and cheese on site-there are numerous indirect benefits provided by open spaces throughout the county. Land conservation is an important tool in mitigating climate change, as agricultural lands and natural systems sequester carbon and have substantially lower rates of greenhouse gas emissions than urban areas. Land conservation also helps to avoid vehicle emissions by reducing sprawl, while ensuring multiple community benefits such as agricultural viability, greenbelts, scenic viewsheds, recreational areas and biological diversity.

The Stewardship Program's purpose is to ensure that lands preserved by Ag + Open Space, and the benefits that they provide, are protected, forever. Stewardship of Ag + Open Space-protected lands (properties where public funds have been spent on preserving land for agricultural, natural resource, open space, and recreational purposes) ensures that those public investments are protected in perpetuity.

Strategic Plan:

This item directly support the County's Five-year Strategic Plan and is aligned with the following pillar, goal, and objective.

Pillar: Climate Action and Resiliency

Goal: Goal 5: Maximize opportunities for mitigation of climate change and adaptation through land conservation work and land use policies

Objective: Objective 2: Develop policies to maximize carbon sequestration and minimize loss of natural carbon sinks including old growth forests, the Laguna de Santa Rosa, and rangelands. Encourage agricultural and open space land management to maximize sequestration

Prior Board Actions:

June 9, 2015: Resolution 15-0241, Authorizing The Issuance Of Measure F Sales Tax Revenue Refunding Bonds Series 2015 A (Limited Tax Bonds - Agricultural Preservation And Open Space) And Authorizing The Taking Of Certain Actions In Connection Therewith

FISCAL SUMMARY

Expenditures	FY 23-24 Adopted	FY 24-25 Projected	FY 25-26 Projected
Budgeted Expenses		\$7.5M	\$7.5M
Additional Appropriation Requested			
Total Expenditures		\$7.5M	\$7.5M
Funding Sources			
General Fund/WA GF			
State/Federal			
Fees/Other		\$7.5M	\$7.5M
Use of Fund Balance			
Contingencies			
Total Sources		\$7.5M	\$7.5M

Narrative Explanation of Fiscal Impacts:

In 2015, Ag + Open Space restructured existing bonds using approximately \$9 million in funds from the existing Stewardship Reserve Fund to pay down the debt more quickly and with a lower interest rate. The bonds will retire in Fiscal Year 2024 leaving the \$7.5 mil annual payment available to fund, when established, the Ag + Open Space endowment until the sunset of Measure F in March of 2031. The total contribution to the Ag + Open Space endowment is expected to be approximately \$45 million. In 2015, the Fiscal Oversight Commission issued Minute Order 13, which recommended that when the debt matured in FY 2025 the annual payment amount be used to replenish the existing Stewardship Reserve Fund (which would be replaced by the Ag + Open Space endowment).

Narrative Explanation of Staffing Impacts (If Required):

N/A

Attachments:

1. Ag + Open Space Protected Lands Map
2. Stewardship Policy, Sonoma County Agricultural Preservation and Open Space District, 2021
3. Fee Lands Strategy Update, Sonoma County Agricultural Preservation and Open Space District, 2021
4. Review of Sonoma County Agricultural Preservation and Open Space District’s Endowment Fund Calculation and Model, Center for Natural Lands Management, 2023
5. Fiscal Oversight Commission Minute Order No. 13
6. Racial Equity Analysis

Related Items “On File” with the Clerk of the Board:

1. The Vital Lands Initiative: A Vision for Land Conservation in Sonoma County, Sonoma County Agricultural Preservation and Open Space District, 2021