

COASTAL CONSERVANCY

Staff Recommendation

June 29, 2006

LAGUNA COAST WILDERNESS PARK ACQUISITION

Haun Property

File No. 06-056

Project Manager: Deborah Ruddock

RECOMMENDED ACTION: Authorization to disburse to the City of Laguna Beach up to \$590,000 for the acquisition of the 9.4-acre Haun property adjacent to the Laguna Coast Wilderness Park for open space, public access, and habitat preservation.

LOCATION: City of Laguna Beach, County of Orange (Exhibit 1)

PROGRAM CATEGORY: Public Access

EXHIBITS

Exhibit 1: Project Location and Site Maps

Exhibit 2: Regional Park Map

Exhibit 3: Letter from Orange County

Exhibit 4: Letters of Support

RESOLUTION AND FINDINGS:

Staff recommends that the State Coastal Conservancy adopt the following resolution pursuant to Sections 31400-31409 of the Public Resources Code:

“The State Coastal Conservancy hereby authorizes the disbursement of an amount not to exceed five hundred ninety thousand dollars (\$590,000) to the City of Laguna Beach (“City”) as follows: (1) up to five hundred eighty-five thousand dollars (\$585,000) for the acquisition of a property adjacent to the Laguna Coast Wilderness Park (“LCWP”) commonly known as the Haun property, County of Orange Assessors Parcel No. 632-041-02, and (2) up to five thousand dollars (\$5,000) to cover estimated closing costs for the transaction. This authorization is subject to the following conditions:

1. Prior to the disbursement of any Conservancy funds for the acquisition of the property, the City shall submit for the review and approval of the Executive Officer of the Conservancy (“the Executive Officer”):
 - a. All relevant acquisition documents, including without limitation, an appraisal, purchase agreement, escrow instructions, environmental assessment, and title report.
 - b. Evidence that sufficient funds are available to complete the acquisition.
 - c. Evidence of commitment by the County of Orange to manage the property as part of the Laguna Coast Wilderness Park for public access and for wildlife habitat.
2. The City shall pay no more than fair market value for each property, as established in an appraisal approved by the Executive Officer.
3. The City shall permanently dedicate the property for open space, public access and habitat preservation, through an appropriate instrument approved by the Executive Officer.
4. The City shall acknowledge Conservancy and Proposition 12 funding by erecting and maintaining signs on the property, the design and location of which have been approved by the Executive Officer.

Staff further recommends that the Conservancy adopt the following findings:

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

1. The proposed project is consistent with Chapter 9 of Division 21 of the Public Resources Code (Sections 31400-31409) with respect to public access. The proposed acquisition will connect important coastal watershed and scenic areas in the Laguna Coast Wilderness Park, part of a regional park system.
2. The proposed project is consistent with the Project Selection Criteria and Guidelines adopted by the Conservancy on January 21, 2001.
3. The proposed project would serve a greater-than-local need.”

PROJECT SUMMARY:

Proposition 12 (the “Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Act of 2000”) allocated \$12,500,000 to the Conservancy to undertake projects for the South Coast Wilderness system of coastal canyons and watersheds in south Orange County (Exhibit 2), including properties in Laguna Coast Wilderness Park (“LCWP”). Under the proposed authorizations, a portion of these funds would be granted to the City of Laguna Beach to (1) acquire the 9.4-acre Haun Property (Exhibit 1) at a bargain sale price of \$585,000, and (2) pay estimated closing costs of up to \$5,000 for the transaction.

The Haun property is located in the coastal zone in the Laguna Canyon Creek watershed and lies immediately adjacent to LCWP. In conjunction with recent and anticipated acquisitions of land adjacent to the LCWP, purchase of the Haun property and management of the property as part of the LCWP will facilitate continuous public access for residents and visitors to and along the

coast by virtue of the LCWP's public trail connections to the larger 19,000-acre South Coast Wilderness system of marine preserves, wilderness parks and open space (Exhibit 2).

Importantly, the property is currently under threat of development as an estate residence. Due to the property's location adjacent to LCWP and to recent Proposition 12 acquisitions, any development of the property would significantly fragment public trail access, open space view sheds and sensitive coastal scrub habitat.

Transaction Details

The Laguna Canyon Foundation (LCF) has negotiated a purchase agreement for fee acquisition of the Haun property for a bargain sale price of \$585,000, considerably lower than the property's appraised fair market value of \$1,300,000. Title to the property will vest in the City of Laguna Beach, which will purchase the property and pay closing costs using funds authorized for this purpose by the Conservancy. Following acquisition, the City intends to lease the property for a nominal amount to the County of Orange for management as part of the LCWP. The County manages the 6,500-acre LCWP and has expressed its willingness to manage the additional property (See Exhibit 3).

Consistent with terms of the purchase agreement, the city council approved a lot line adjustment at its meeting of June 6, 2006 that provides the property owner continued access to Castle Rock Road from his adjacent home site. The City also has agreed to continue to perform limited brush control on a portion of the Haun property that lies within a fire protection buffer of the property owners' home.

The Haun acquisition is part of a series of acquisitions intended to augment the South Coast Wilderness regional open space coastal sage habitat and trail system. As discussed below ("Realization of Prior Conservancy Goals"), the Conservancy has authorized a total of \$3,406,300 for the acquisition of more than 90 acres in several separate projects. With the approval of the project that is the subject of the proposed authorizations, approximately \$8.8 million of Proposition 12 funding appropriated to the Conservancy would remain available for projects. Project proponents expect to seek Proposition 12 funding in October of 2006 to acquire an additional property that is contiguous with the previous acquisitions and adjacent to LCWP in the South Coast Wilderness system of parks and preserves.

Letters of support have been received from Assemblyman Chuck DeVore, Orange County, the City of Laguna Beach, the Laguna Canyon Foundation, and Laguna Greenbelt, Inc. (Exhibit 4).

Site Description:

The 9.4-acre Haun property is located in the coastal zone in the Laguna Canyon Creek watershed adjacent to the LCWP and lies southeast of Laguna Canyon Road. The property is steeply sloped and features untouched habitat from boundary to boundary. Its habitat value has been mapped by City of Laguna Beach biologist Karlin Marsh as "very high value" and "high value", the highest and second highest classifications assigned to habitat by the City's General Plan/Local Coastal Plan ("GP/LCP"). "Very High Value Habitat" signifies the presence of highly sensitive, regionally crucial or endangered species. "High Value Habitat" signifies sensitive and diverse indigenous species with a high priority for conservation.

In addition, the Haun property is directly adjacent to the Wainwright property, a recent Proposition 12 conservation acquisition. The Wainwright property was designated by City of Laguna Beach as the single most important wildlife linkage in the Laguna Coast Wilderness Park.

The Haun property lies within several feet of the West Ridge Trail, previously referred to as the Alta Laguna Regional Ridgeline Trail, one of the most scenic and widely used trails in the South Coast Wilderness system of parks and preserves (Exhibit 1, landscape maps). The trail connects with numerous other SCW trails, allowing visitors and residents of Laguna Beach and inland cities such as Laguna Hills, Irvine, Laguna Woods, Aliso Viejo, and Laguna Niguel to hike to and along the coast. Acquisition of the Haun property will provide the opportunity for additional public coastal access, preserve sweeping vistas of the surrounding LCWP and peeks at the ocean through the Laguna Canyon, and buffer the trail from encroaching residential development.

Project History:

The process of assembling a greenbelt for habitat and public access up and down the coast and inland from the City of Laguna Beach began more than 40 years ago. Most of the greenbelt, known broadly as the South Coast Wilderness, was once part of the Irvine Ranch. A number of tenacious citizen groups formed to prevent development, raise funds for acquisition, pass local initiatives and tax measures, and assist with management of the acquired property. These groups include the Citizens’ Town Planning Association, Laguna Greenbelt, Inc., Laguna Canyon Foundation, Laguna Canyon Conservancy, Village Laguna, and the Coastal Greenbelt Authority. Over the years, through development and purchase agreements, city, county, and state agencies have purchased other properties to enlarge the regional wilderness system.

Proposition 12, (the “Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Act of 2000”) allocated \$12,500,000 to the Coastal Conservancy to undertake projects for the Laguna Coast Wilderness Park. The City, LCF and the County of Orange have been working with the public since the 2000 bond passage to identify and prioritize acquisition opportunities. The 2001 City of Laguna Beach Open Space Report identified fee acquisition of the Haun property as a top priority because it is adjacent to LCWP and because of its value for public coastal access, visual resources, and habitat. The Foundation has actively negotiated and pursued conservation acquisitions consistent with the Proposition 12 grant guidelines.

PROJECT FINANCING:

Coastal Conservancy

Haun land acquisition:	\$585,000
Subtotal	\$585,000
Closing Costs	\$ 5,000

Subtotal	\$5,000
Total Project Cost	\$590,000

The expected source of Conservancy funds for the proposed project is a FY 2004/2005 appropriation to the Conservancy of funds allocated for acquisitions for the South Coast Wilderness regional park system in the Safe Neighborhood Parks, Clean Water, Clean Air and Coastal Protection Bond Act of 2000 (Proposition 12).

CONSISTENCY WITH CONSERVANCY'S ENABLING LEGISLATION:

This project is consistent with the Conservancy's enabling legislation, Division 21 of the Public Resources Code, specifically with Chapter 9, pertaining to public coastal access.

Under § 31400, the Conservancy has a principal role in the implementation of a system of public access ways to and along the coast. The Conservancy's funding of the Haun acquisition is consistent with Chapter 9 because of the opportunities for trail connectivity to the coastline and to the thousands of acres of wilderness in the South Coast Wilderness regional system of parks and preserves.

Under § 31400.1, the Conservancy may award grants to any public agency to acquire land for public access purposes to and along the coast if the Conservancy has determined that the access way will serve more than local public needs. As discussed in the project summary and site description, purchase of the Haun property, in conjunction with recent and anticipated acquisitions of land adjacent to the LCWP (See Exhibit 1), will facilitate continuous public access for residents and visitors to and along the coast by virtue of the LCWP's connections to trails within the larger South Coast Wilderness system of parks and preserves that includes LCWP, Aliso and Wood Canyon Wilderness Park, and Crystal Cove State Park (Exhibit 2).

Under § 31400.2, the Conservancy may provide up to the total cost of the acquisition of interests in lands by a public agency, with the amount of funding determined by the total amount available for coastal access projects, the fiscal resources of the applicant, and the urgency of the project relative to other eligible projects. Consistent with this section, the amount of proposed Conservancy funding has been determined with an understanding of the estimated costs of acquiring additional properties for inclusion in the LCWP; the total amount available (\$7,991,260) from the Proposition 12 allocation for Park acquisitions, the readiness of the sellers relative to owners of other priority properties, and the financial limitations of the grantee.

Under § 31400.3, the Conservancy may provide such assistance as is required to aid public agencies and nonprofit organizations in establishing a system of public coastal access ways, and related functions necessary to meet the objectives of Division 21. Consistent with this section, the City of Laguna Beach will use authorized funds to acquire properties necessary for the protection and enhancement of key trail links in a coastal wilderness park system.

Under § 31409, the Conservancy may award grants and provide assistance to public agencies and nonprofit organizations to establish and expand inland trail systems that may be linked to the California Coastal Trail. Consistent with this section, the proposed authorization will assist the

City of Laguna Beach in expanding an inland trail system that will link to an anticipated extension of the Coastal Trail through this region.

CONSISTENCY WITH CONSERVANCY'S STRATEGIC PLAN GOAL(S) & OBJECTIVE(S):

Consistent with **Goal 2, Objective A** of the Conservancy's Strategic Plan, the proposed acquisitions in fee will protect open space, outstanding visual resources, and existing access ways. The Haun property features access ways that link to the broader South Coast Wilderness regional system of parks and preserves trail system serving multiple communities from Newport Beach to Dana Point and inland to Irvine and Laguna Hills.

Consistent with **Goal 4, Objective A**, acquisition of the Haun property will help protect a significant wildlife corridor linkage, and will preserve scenic vistas and open space in an urban area of with a population of more than 3 million.

Consistent with **Goal 5, Objective A**, the proposed project will result in the acquisition in fee of approximately 10 acres of high quality coastal sage scrub, and rare riparian habitat.

CONSISTENCY WITH CONSERVANCY'S PROJECT SELECTION CRITERIA & GUIDELINES:

The proposed project is consistent with the Conservancy's Project Selection Criteria and Guidelines adopted January 24, 2001, in the following respects:

Required Criteria

1. **Promotion of the Conservancy's statutory programs and purposes:** See the "Consistency with Conservancy's Enabling Legislation" section above.
2. **Consistency with purposes of the funding source:** See the "Project Financing" section above.
3. **Support of the public:** Assemblyman Chuck DeVore, Orange County, City of Laguna Beach, Laguna Canyon Foundation, and Laguna Greenbelt, Inc. support the project. See the letter of support from Orange County (Exhibit 3) and Letters of Support (Exhibit 4).
4. **Location:** The proposed project would be located within the coastal zone of the City of Laguna Beach (Exhibit 1).
5. **Need:** The City of Laguna Beach, which has severely limited general fund monies available which is even more exacerbated by a major landslide now undergoing restoration, and is unable to acquire the properties without funds provided by the Conservancy. Absent the proposed acquisitions, the current property owners could pursue limited residential development consistent with the zoning. The development would then fragment the surrounding wilderness parkland.
6. **Greater-than-local interest:** As discussed in various sections above, the Haun property features links to the broader South Coast Wilderness regional system of parks and preserves

trail system serving visitors as well as many communities from south of Newport Beach to Dana Point.

Additional Criteria

13. Realization of prior Conservancy goals: The Coastal Conservancy has long assisted with planning and restoration in the area of southern Orange County known as the South Coast Wilderness (Exhibit 2). In the late 1970s, the Conservancy helped design the Aliso Greenbelt. Later, the Conservancy provided funding for restoration of habitat in the Laguna Lakes, Orange County’s only natural freshwater lakes in what is now known as the Laguna Coast Wilderness Park (LCWP). In 2002, the Coastal Conservancy worked with State Parks on disposition of the cottages at Crystal Cove. Along the Laguna coast, the Conservancy has assisted with many beach access projects.

Proposition 12 allocated funds to the Conservancy to acquire property in this region. In May 2002, the Conservancy provided \$2,435,000 to the City of Laguna Woods to acquire the 10.6-acre Rossmoor parcel adjacent to the Laguna Coast Wilderness Park north of Laguna Canyon Road; the City acquired the property in 2003 for inclusion in the LCWP. The Conservancy also allocated \$800,000 in March 2004 to acquire the Trinity and Wainwright properties, totaling 70 acres of crucial habitat and coastal and wilderness trails, and in March 2006 the Conservancy allocated an additional \$171,300 for the preservation of the Decker/Bossard property.

CONSISTENCY WITH THE COASTAL ACT:

The proposed project is consistent with the following specific policy of the Coastal Act, Public Resources Code Sections 30000 et seq.:

The Haun property is located in the coastal zone. Section 30210 states that “maximum access, which shall be conspicuously posted, and recreational opportunities shall be provided for all the people consistent with the public safety needs and the need to protect public rights, rights of private property owners, and natural resource areas from overuse.” Public acquisition of the Haun property and management according to the County’s General Development Plan for the Laguna Coast Wilderness Park will preserve existing regional trail connections and passive recreational opportunities in a manner consistent with the Plan’s intent to keep the LCWP in a natural condition. Also, the proposed authorization requires the City of Laguna Beach to install signage directing the public to the properties.

Section 30500(a) mandates that “each local government lying, in whole or in part, within the coastal zone shall prepare a local coastal program for that portion of the coastal zone within its jurisdiction.” Consistent with this section, the City of Laguna Beach has a certified Local Coastal Program (LCP), and the proposed project is consistent with this program (City of Laguna Beach Municipal Code Title 25 § 25.07.002), in that the project will provide permanent protection for natural and scenic coastal resources.

CONSISTENCY WITH LOCAL COASTAL PROGRAM POLICIES

The proposed project is consistent with the City of Laguna Beach’s General Plan/Local Coastal Program (“GP”/“LCP”).

Topic 5 Parks, Policy 5B of the GP/LCP Open Space/Conservation (OS/C) Element calls for the City to support recreational use of open space lands, where environmentally feasible, with recreational access limited to passive activities such as nature trails and wildlife observation areas.

Topic 6 Trails of the OS/C Element discusses the need to establish a network of trails throughout the City interconnecting with proposed and existing trails within the regional wilderness park system. Policy 6C calls for the City to pursue funding for the acquisition, development, operation and maintenance of a local trail system. Policy 6L calls for the City to provide public pedestrian access to Open Space/Recreation areas, except where it is inconsistent with public safety or protection of fragile coastal resources. Policy 6M calls for the trail network in hillside areas to be oriented to hiking or passive pedestrian recreational use.

Topic 7 Visual Resources discusses preservation of the City's natural open space on the basis of its scenic quality as an issue of special importance to the community. Policy 7I calls for public acquisition and management of notable geologic features and vista sites.

Topic 8 Vegetation and Wildlife Resources Policy 8A calls for preservation of coastal canyon wilderness throughout the City; the Haun property is part of a coastal canyons system. Policy 8M calls for preservation of a continuous open space corridor within the hillsides in order to maintain animal migration opportunities.

COMPLIANCE WITH CEQA:

The proposed acquisition is exempt from the California Environmental Quality Act (CEQA) under 14 Cal. Code of Regulations § 15325 in that it constitutes a transfer of ownership to preserve open space and habitat. It is also exempt under § 15316, which exempts conveyances to establish a park where the land is in a natural condition and the management plan has not been prepared or calls for retaining the land in a natural condition. Here, the acquisitions are intended as part of the Laguna Coast Wilderness Park, and the County's General Development Plan for the Park proposes to keep the area in a natural condition.