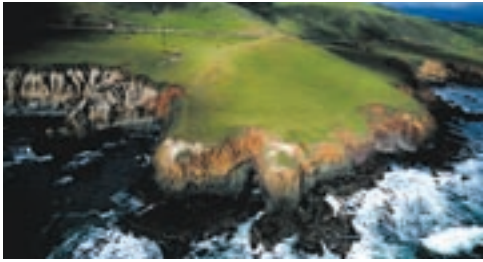




Conserving California Landscapes

FIVE-YEAR REPORT • NOVEMBER 2003

*An Initiative of the David and Lucile Packard Foundation
Conservation and Science Program*



The David and Lucile Packard Foundation

The David and Lucile Packard Foundation is a private family foundation created in 1964 by David Packard (1912–1996), cofounder of the Hewlett-Packard Company, and Lucile Salter Packard (1914–1987).

The Foundation provides grants to nonprofit organizations in the following program areas: Conservation and Science; Population; and Children, Families, and Communities. The Foundation makes national and international grants and also has a special focus on the Northern California Counties of San Mateo, Santa Clara, Santa Cruz, and Monterey. Foundation grantmaking includes support for a wide variety of activities including direct services, research and policy development, and public information and education. The Foundation does not make grants intended to influence legislation or support candidates for political office.

Foundation assets were approximately \$4.8 billion as of December 31, 2002. General program grant awards totaled approximately \$230 million in 2002. The Foundation has a grantmaking budget of approximately \$200 million in 2003.

ALL PHOTOGRAPHY BY TUPPER BLAKE

Tupper Ansel Blake is a wildlife photographer whose books include *Balancing Water: Restoring the Klamath Basin* (2003, with M.G. Blake and W. Kittredge), *Tracks in the Sky: Wildlife and Wetlands of the Pacific Flyway* (1987, with P. Steinhart), and *Wild California: Vanishing Lands, Vanishing Wildlife* (1985, with A.S. Leopold).

His photographic surveys have been the basis for two Smithsonian Institution traveling exhibitions. He lives in Inverness, CA.

Cover: **Summer Storm**
Blue/Ridge Berryessa
Napa County Land Trust

Above:
Rocky Headlands
Irish Hills
The Nature Conservancy

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This page: Joshua Tree
Onyx Ranch
National Audubon Society

Previous spread: Wetlands
Willow Creek Ranch
California Waterfowl Association

Caution—and Hope—for California's Open Spaces

The physical landscapes of California set the tone for life within its borders. A source of wonder and pride for residents, the state's undeveloped lands provide openness that tempers the hurried pace of its biggest cities and increasingly congested suburbs. The diversity of its landscapes mirrors the diversity of its people and adds to the sense that there is something here for everyone.

But the beauty and openness that attract so many are under threat.

A primary cause is the continuous rise in California's population. The year 2002 was the fourth consecutive year in which the state's population grew by more than half a million, an increase equivalent to adding a city bigger than Fresno—*every year*. In twenty years, the state population is expected to increase by one-third. In some regions, the growth is even more intense: The rate of population growth in the western foothills of the Sierra Nevada is double the statewide rate.

As the population grows, the state's open spaces continue to shrink. Forty-thousand acres of California farm and rangeland have been lost to development in each of the last four years for which data are available, a loss equivalent to the elimination of a city that's 30 percent larger than the area of San Francisco—*every year*. Urban boundaries continue to expand, driven not just by population, but by other factors. Despite smaller families, the size of newly built homes continues to increase. At the same time, these homes are built even farther from urban centers, as close-in land is too expensive for most first-time home buyers. Big-box retail outlets and auto malls, built with encouragement from local governments seeking to enhance their tax base, fuel competition among jurisdictions and serve as magnets for additional growth that consumes more land.

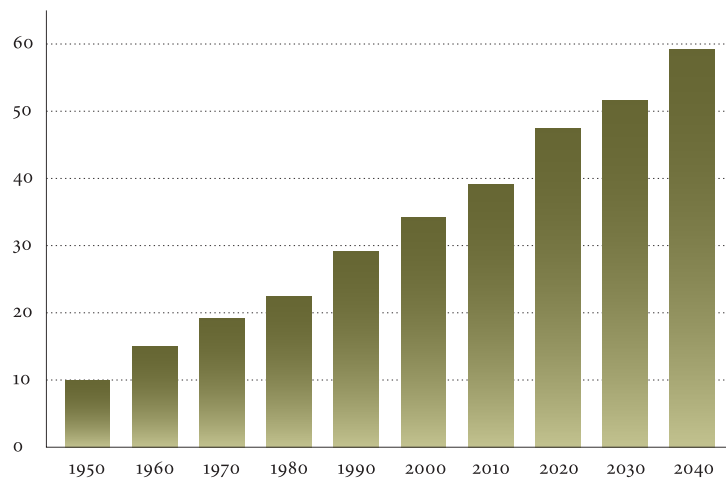
Quality of life is taking a hit. Californians spend more time in their cars—travel time increased 50 percent faster than the population in the 1990s. Businesses must now compete aggressively to keep the best workers in-state.

And yet, despite the crowds and the dwindling open spaces, California remains one of the world's great treasures; a day's drive along the coast, into the Salinas Valley, or along any of the state's mountain ranges offers proof. California's natural beauty still has the capacity to inspire, and it is not too late to save it.

Some recent trends offer hope.

Public support for open space protection remains high throughout the state.

**CALIFORNIA
POPULATION
GROWTH IN
MILLIONS**



Over the past three years, Californians have passed five state ballot initiatives setting aside over \$10 billion for land and water conservation. Proposition 12, which passed in 2000 with 63 percent of the vote, awarded \$2.1 billion in funding for parks, one-third of it earmarked to preserve open space and habitat. (Its passage ended a 12-year span during which no bond measures for parks had passed statewide.) Proposition 13, passed the same year, fo-

ocused on water issues, but also provided funding to protect open space, largely because of the beneficial impact open lands have on both water quality and water quantity. Proposition 40, passed in 2002 despite an economic downturn and the prospect of a massive state budget deficit, provided additional funding to, among other things, preserve open space and farmlands, and establish

new state parks. Proposition 50, another bond measure passed later in 2002, focused on water issues; to achieve certain water quality goals, it earmarked a portion of its \$3.44 billion for land acquisition and stewardship efforts that can help cleanse the state's waters.

Locally, additional measures to improve planning processes or preserve open space have passed in many California cities and counties.

There's more encouraging news: Land trusts—nonprofit organizations dedicated to preserving open lands—continue to grow in number. In the 1990s, the number of local land trusts operating in California grew by 63 percent, according to the Land Trust Alliance. California land trusts made up more than 10 percent of the national total (which increased by 42 percent in the 1990s).

With a burst of activity since the late 1990s, there is a sense of progress within California's land conservation community. Equally important is a sense that the community has learned a great deal about identifying and implementing the most cost-effective means for protecting open lands.

One of the catalysts for this burst of activity was a project of the David and Lucile Packard Foundation¹.

1. Foundation grantmaking includes support for a wide variety of activities including direct services, research and policy development, and public information and education. The Foundation does not make grants intended to influence legislation or support candidates for political office.

342,355 Acres—and Counting

Announced in March 1998, the Packard Foundation’s *Conserving California Landscapes Initiative* (CCLI) was a five-year, \$175 million program to help conserve at least 250,000 acres in three California regions—the Central Coast, the Central Valley, and the Sierra Nevada—and to develop supportive policies and organizations. Both the dollar figure and the acreage goal instantly established the program as one of the biggest private land conservation programs ever created. Spurred by early successes, halfway through the program’s lifespan, the Foundation doubled CCLI’s goals, aiming for 500,000 conserved acres.

In some cases, CCLI helped achieve conservation through fee title acquisition, which is the outright purchase of lands. In others, conservation was ensured through easements, in which a landowner agrees to permanent restrictions on how the land can be used (keeping the land in farming or ranching, for example). In still others, CCLI supported policy advances in land and water use that promise to have far-reaching conservation results.

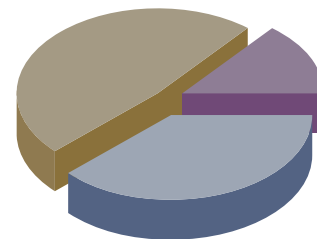
As of August 31, 2003, CCLI funding helped conserve 342,355 acres. Several grantees continue to hold more than \$30 million in CCLI funds as they participate in ongoing negotiations to protect additional lands. With this in mind, the Foundation is confident that CCLI will come close to meeting its 500,000-acre target by the end of 2006.

While the total acreage figure is impressive, it only begins to describe the Initiative’s impact. Many lands conserved under CCLI are relatively smaller parcels that link already-preserved areas, thus ensuring an entire protected landscape. Some are intended as buffers at the edge of developments or as the first step in a much larger conservation effort. Still others represent critical pockets that are rich in biodiversity and that play a role in protecting a much larger landscape.

Just how much land is 342,355 acres? It is nearly as big as Sequoia National Park, roughly half the size of Yosemite, or bigger than 10 cities the size of San Francisco. But while those comparisons provide a sense of scale, they also imply one large tract of land. A better way to visualize the acres protected under CCLI is to imagine four parcels the size of Point Reyes National Seashore, plus 150 parcels the size of San Francisco’s Golden Gate Park—all fitting into a larger mosaic of conserved, resource-rich lands.

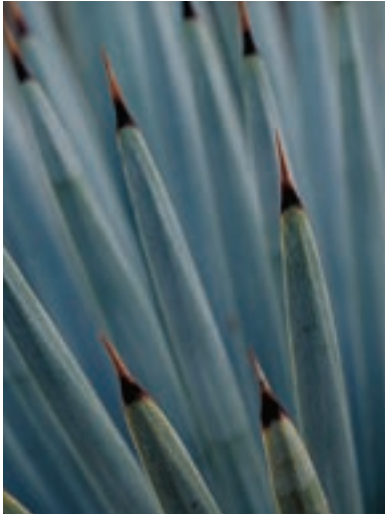
Conserved Acres, By Method

<i>As of August 31, 2003</i>	LAND ACQUISITION	CONSERVATION EASEMENT	TOTAL ACRES CONSERVED
Purchase Aided by CCLI Grant	122,321 acres	124,797 acres	247,118 acres
Purchase Aided by CCLI Loan (PRI)	34,060 acres	61,177 acres	95,237 acres
Total CCLI Projects	156,381 acres	185,974 acres	342,355 acres



Conserved Acres, By Region

<i>As of August 31, 2003</i>	
Central Coast	128,883 acres
Central Valley	165,820 acres
Sierra Nevada	47,652 acres



Chaparral Yucca

The decision to avoid being the sole source of funds for any land purchase oriented the entire Initiative around teamwork; it also helped the Foundation's dollars—and the program itself—go further.

LESSONS LEARNED:

In real estate transactions, timing is paramount

In many instances, CCLI did not directly fund the purchase of land, but instead made loans for this purpose. Also known as *program-related investments* (PRIs), these were drawn from (and repaid to) the Packard Foundation's endowment. They played an important role in helping conservationists take advantage of good deals the moment they appeared.

Because PRIs can sometimes be approved more quickly than a government agency can act, they can be used at precisely the moment when a deal is the most advantageous for the buyer, serving as “bridge” financing for the purchase of property. More importantly, because the funds are repaid, a foundation is able to help more grantees accomplish their goals.

The strategic use of PRIs can help secure needed lands for conservation. At times, they can also reduce costs for NGOs and government agencies alike. The availability of dollars early in a transaction can be more attractive to certain sellers and allow for the negotiation of a more favorable price. It also enables conservation property to be purchased before real estate values increase. In cases where a government agency clearly intends to purchase a parcel, but cannot move quickly enough to take advantage of a good real estate deal, a land trust can use PRIs to secure the parcel, with the understanding that government funding will be released eventually. When the government funds are released, the NGO and the foundation are repaid, and taxpayers will have gained a better value.

The Palo Corona Ranch occupies 10,000 acres near the Point Lobos State Reserve in Monterey County. A highly visible coastal property, it forms a dramatic northern gateway to the Big Sur coast. It contains a number of smaller parcels that connect several parks and wildlife preserves, which the Big Sur Land Trust (BSLT) was interested in acquiring. When technology stocks tumbled, the property's owner had an urgent interest in selling the entire ranch—at a substantially reduced price. BSLT partnered with The Nature Conservancy, at our suggestion, and a \$15 million PRI helped facilitate purchase of the property. The majority of funding for the acquisition ultimately came from the state, but all parties involved in buying the property benefited because the PRI allowed the purchase to occur at the optimum time.

While PRIs are common among foundations, CCLI's strategic approach led us to use them more often. (CCLI was one of many programs at the Foundation that relied on PRIs.) According to the *Chronicle of Philanthropy*, the Packard Foundation relied more on PRIs than any other foundation, by far. We invested \$35.6 million in PRIs in 2001 and \$36.8 million in 2002; in both years, the total dollar commitment to PRIs was nearly three times higher than any other foundation.

profile



Elkhorn Slough: Using the full range of conservation tactics

Elkhorn Slough, 45,000 acres abutting Monterey Bay, harbors a unique mix of dunes, coastal marsh, oak woodlands, steep hillsides, and maritime chaparral. It also hosts an impressive, and important, variety of plants and animals, with more than 340 species of birds occurring there. Because the landscape is home to a large number of farms and ranches, its conservation requires a more comprehensive approach than traditional acquisitions.

With an initial CCLI grant, the Elkhorn Slough Foundation (ESF), The Nature Conservancy, and others developed the Elkhorn Slough Watershed Conservation Plan, offering a roadmap to protect the region's ecological, aesthetic, and economic values and prioritize parcels for potential acquisition. The planning was supported by scientific research funded by a grant to California State University at Monterey Bay. Our \$5 million block grant gave ESF flexibility in negotiating land deals to implement the plan. The California Coastal Conservancy then adopted the plan as its own, earmarking \$4 million for land and resource acquisition. Other agencies directed \$7 million in proposed mitigation funds for the expansion of the Moss Landing Power Plant to be spent in the context of the ESF plan.

Despite these purchases, the landscape was by no means

protected. Slopes that had long been stripped of natural protection continued to crumble, pouring silt into the slough and the Salinas River, choking waterways and dredging up old agricultural chemicals, including DDT, which devastated bird populations. A grant to Sustainable Conservation led to regulatory changes allowing farmers to control erosion with a single permit. (It previously took up to 10 permits for farmers to voluntarily change land management practices to reduce soil erosion.) Voluntary participation in this and other Elkhorn Slough conservation projects is now high.

A capacity-building grant to ESF will help it continue to effectively manage and restore land, monitor farming practices, and preserve one of California's natural treasures.

By building on a science-based strategy, conservation efforts were focused and prioritized, and a significant portion of the most delicate acreage in the watershed is now under conservation management. By working with the community during planning, voluntary support was maximized. By working directly with farmers, the plan's impacts were extended without a major impact on costs. The active support of those working the landscape also increases the likelihood that the community will actively engage in stewardship well into the future.



Spring Storm
Granite Rock Dunes
Big Sur Land Trust

Key Decisions Set the Tone

Three key decisions made by the Packard Foundation may have intensified CCLI's impact.

First, CCLI held to a defined geographic focus, supporting conservation efforts in three areas: the Central Coast, the Central Valley, and the Sierra Nevada. Each of these regions is increasingly threatened by growth pressures and poorly planned development. But each still contains vast expanses of open space, including some of the state's most impressive landscapes—and some of the most important natural resources on the planet. Each presents opportunities to preserve landscapes while continuing to rely on the natural resources to provide economic benefits through farming, ranching, recreation, and other uses. So while the need to focus on these particular regions was clear, the simple fact that a focus was chosen also had an impact: It gave the burst of activity more visibility in the community and served as a greater catalyst for action than might otherwise have been the case. It helped create a sense of momentum and optimism in these regions, which in turn increased participation.

Second, the Foundation oriented the entire program around partnerships. While committing \$175 million, we pledged that a similar amount be sought from outside sources, including other foundations, private individuals, commercial interests, and government agencies. To fulfill this pledge, the Foundation would not be the sole funding source for any land purchases. That is, the partnership requirement would apply not only to the Initiative as a whole, but to each individual project as well. Proving the adage that one thing leads to another, during the course of the Initiative, outside sources made grants and loans four times greater than the Foundation's investment. All told, close to \$1 billion has been spent on CCLI-related projects. Our dollars have gone further, and the program itself will go further toward achieving the desired outcomes, because of these partnerships.

Funding Partnerships

As of August 31, 2003

	CCLI FUNDS	NON-CCLI FUNDS	TOTAL PROJECT FUNDS
Purchase Aided by CCLI Grant	\$226 million*	\$618 million	\$844 million
Purchase Aided by CCLI Loan (PRI)	\$65 million	\$146 million	\$211 million
Total CCLI Projects	\$291 million	\$764 million	\$1.055 billion

**This figure includes grants made beyond the context of CCLI, but which help conserve resources within the CCLI regions. The purchase of the Cargill Salt Ponds—funded by several foundations—is one such grant.*

Third, CCLI deliberately chose a multidimensional approach. Rather than relying exclusively on land purchases—often the most common practice supported by conservation groups, largely because it helps avoid controversy—the Foundation set out to use a wide range of conservation tools, including investments in planning, policy, capacity-building, and restoration. This dovetailed well with the notion of relying on partnerships, as it drew many different kinds of groups and individuals into the process of conserving landscapes.

In addition to the conserved lands, CCLI leaves behind important lessons for the conservation community.

Think big and plan for success

Traditional land conservation programs often start with a parcel of land, with conservationists asking an obvious question: How can we buy it? CCLI took a different approach, starting not with a look at individual parcels, but at much larger swaths of land—whole landscapes, many of them containing entire ecosystems. And it asked an entirely different question: How can we protect the landscape in ways that maintain its conservation values over time?

CCLI was able to hold the larger view because it began with a consultative process—involving landowners, government policymakers, conservationists, scientists, real estate and legal experts, and many others—to develop an initial list of landscapes that would become conservation priorities in each of the three California regions. In selecting the landscapes, advisors considered the biological, agricultural, scenic, and aesthetic values of the resources contained

profile



Salinas Valley: Buffers against development

The flat, well-watered soils of the Salinas Valley are among the most productive farmlands in the world. They are also the target of rapid development, as the price of Bay Area housing continues to rise. When parcels are developed, they leave a checkerboard grid on the landscape, making land management more challenging and threatening the Valley's agricultural heritage.

CCLI grants helped the Monterey County Agricultural and Historical Land Conservancy (MCAHLC) purchase easements on the Gill and Violini Ranches, close to 1,000 acres combined, at the edges of King City and Gonzales. The easements require the properties to stay in agricultural use permanently. Keeping these lands in agricultural use will establish buffers to residential and commercial growth at the edges of both cities. Subsequent grants have been used to purchase additional properties and easements, all of them much smaller parcels.

The efforts are having obvious successes. Development has

not been slowed—that was never the intent—but has instead been channeled to cover less productive soils and preserve the largest tracts of farmlands. The protected soils allow underground aquifers to be refilled with rainwater, serve as barriers to sprawl, and continue to support the county's \$3 billion agriculture industry.

The program has become so popular that landowners now make unsolicited offers to participate, giving the Conservancy the kinds of choices that can maximize their conservation dollars.

Many factors contribute to MCAHLC's success. Their work takes place in a relatively focused community; the group fits the scale of its geography. A small number of key landowners showed a willingness to participate and they set a trend in the community. And MCAHLC was a credible and trusted source, with a genuine understanding of the economic pressures facing farmers, long before CCLI arrived on the scene.

in the landscape. The percentage of land in private ownership was important, because it helped show the extent to which an area might be threatened by future development. It also helped indicate whether the private sector would be in place to lead a landscape's protection.

The quality of local leadership in conservation organizations and other civic institutions was also considered because land protection efforts work best when led at the local level. The attitudes of government officials were taken into account because many of the purchased lands would be turned over to government agencies for long-term management, or because government policies would affect their long-term protection. Threats to the landscape and the resources it contained—from development, the invasion of exotic species, poor management practices, and other sources—were examined. And CCLI staff tried to realistically assess the potential for reasonable real estate deals or necessary policy changes.

All of this work set the tone and scale for CCLI: Everything took place within a strategic framework. Once the list of priority landscapes was set, potential real estate transactions for specific parcels were considered for the role they might play in protecting the larger area, and policy initiatives were developed or evaluated for how they might advance conservation objectives within the region or statewide.

Establishing this larger context led to a highly efficient use of funds. The relative values of vastly different properties could be understood, because they were compared in a consistent framework. (Properties were not judged only for their own resource values—which could give greater sway to such factors as scenic value or the sense that another deal might not materialize—but by the ways in which they could protect a much larger land mass.) Being able to compare the values of different properties, at least in a relative sense, gave grantees (and our staff) the confidence to move quickly when good deals materialized; it also gave them confidence to walk away from deals that were less than optimal. This justified level of confidence is a key component to successful real estate negotiations.

Rely on a wide variety of tools

In employing a wide range of tactics and tools to protect landscapes, CCLI helped show that all of these approaches can be successful, especially when used together.

Planning was at the heart of CCLI. With the entire Initiative framed by a planning process, it set the tone for each individual landscape; nearly all CCLI priority areas received funding for planning activities, often involving





White-faced Ibis

Planning ahead was the key; every parcel that was purchased fit into a strategy for protecting a much larger landscape.

LESSONS LEARNED:

Acquisitions get attention, stewardship gets results

Purchasing a parcel of land for conservation purposes does not automatically mean it is protected for the long term. That is, a transaction is not the last act in an effort to conserve particular landscapes; it is instead an intermediate step. Lasting protection requires active care of the landscape and active support for the groups working to protect it.

If land is set aside as a public or private reserve, it can still be harmed immeasurably by invasive species of flora and fauna, by water and air pollution, or by ill-advised management practices. The management, or mismanagement, of nearby properties can also have a significant negative impact. The landscape's ecological integrity requires investments in the natural sciences, not only to develop the technical expertise necessary to bring an ecosystem into balance, but for baseline documentation and regular monitoring. This is why a portion of CCLI funding was used to enhance the science of restoration and to support ongoing stewardship efforts. It also was a reason for CCLI's reliance on working landscapes: With land managers already present and working on a regular basis, at least a portion of the cost of conservation management is absorbed into other costs.

A focus on long-term stewardship also argues for significant local participation. Land management is not something done well from a distance, but if the local community is actively engaged in protecting a resource, the likelihood that it will actually be saved increases dramatically. NGOs focused on protecting property must have the capacity to ensure legal protections for the landscape. Government agencies face this issue as well, because when land is transferred to a government agency, on the presumption that it will be protected, it rarely comes with a guarantee of funding for long-term resources management. This in part explained CCLI's investments in capacity-building among the conservation community.

partnerships among several CCLI grantees, and always involving many stakeholders. Elkhorn Slough stands as a highly successful example of planning investments. After receiving an initial CCLI grant to enhance its capacity, the Elkhorn Slough Foundation (ESF) collaborated with The Nature Conservancy and others to produce the Elkhorn Slough Watershed Conservation Plan. The plan outlined many of the ecological, aesthetic, and economic values in the region, as well as the many threats to these values. It offered a roadmap for protection, and prioritized parcels for potential acquisition, restoration, or enhanced management. Because the process of developing it was an inclusive one, the plan galvanized local support for watershed protection, and the California Coastal Conservancy ultimately adopted the plan as its own.

A large portion of CCLI funding was used for **fee simple acquisitions**, the



straightforward purchase of land from willing sellers. In some cases, the purchases were quite large. The 7,500-acre Coast Dairies property, just north of Santa Cruz, covers more than six miles of coastline and beaches, has seven distinct watersheds, contains rich agricultural lands, and is host to several endangered species. Its unbroken views of the coast evoke earlier times. Development of the property appeared imminent, until the Save-the-Redwoods League and the Trust for Public Land worked together—with funding from CCLI and other sources—to purchase the land. Dillonwood Grove, adjacent to Sequoia National Park, is a much smaller parcel, but held 70 percent of the sequoia-forested lands that remained in private ownership, with more than 150 ancient trees as large as 20 feet in diameter and 250 feet tall; it sits at the headwaters of a biologically important watershed. CCLI funds were used in 2000, along with funding from other partners, to purchase the grove outright, while policy work by conservation organizations helped to enlarge the boundary of the National Park—allowing ownership to be subsequently transferred to the National Park Service.

CCLI strove to protect **working landscapes**, generally defined as productive lands, including farms and ranches, that have not been developed for residential, commercial, or industrial uses. These working landscapes can offer much more to the community than the food and fiber they produce;

Chaparral Yucca
Rancho Ventana
American Land Conservancy

profile



Sierra Valley: Preserving a ranching heritage

The Sierra Valley, 130,000 acres of relatively open land less than 25 miles from both Reno and Truckee, is an obvious spot for potential residential developments. But as one of the largest alpine valleys in the Sierra Nevada, its wetlands provide critical habitat to an astonishing array of migratory birds. With its proximity to the Great Basin to the east and the Cascade Mountains to the north, it is also home to several animal species rarely seen in the Sierra, including the pronghorn antelope. The valley floor is used for cattle ranching in the summer, with herds moving to lower elevations in the winter. Some ranchlands are also used for haying.

With the threat of residential development increasing, the Sierra Business Council saw value in deflating tensions between environmental and economic interests. With CCLI funding, they formed a partnership with the California Rangeland Trust and The Nature Conservancy and began a process of extensive outreach with ranchers and others throughout the Valley. Meeting in small groups and reaching a surprising percentage of the 15,000 residents, they began a discussion of the best ways to preserve the Valley's quality of life. From those meet-

ings, the Sierra Valley Ranch Project was formed to preserve the Valley's open space and ranching heritage.

In 2002, following the development of a conservation plan for the area, their work led to the purchase of a conservation easement on the 13,000-acre Bar One Ranch, the largest ranching operation in the Valley. The easement, purchased with CCLI and government funds, and held by the California Rangeland Trust, guarantees that the land will not be subdivided for residential or commercial development, but will instead remain a working ranch. Cattle grazing on the property will continue to bring economic benefits to the Valley, and property management practices will also focus on protecting the headwaters of the Middle Fork of the Feather River and providing habitat for wildlife.

Bar One is just one ranch, but it clearly holds a leadership position in the Sierra Valley. With one of the largest ranches committed to long-term conservation, other ranchers now know that grazing in the Valley will continue to thrive. That realization, in turn, increases the prospects for additional conservation easements.

in many cases, they offer open space, a sense of the state's heritage, support for diverse traditions and lifestyles, and safe harbor for wildlife. Relying on working landscapes helps avoid the "either/or" framework that often stymies conservation discussions. It may also point the way to strategies for the long-term management of fragile properties. The purchase of a property by a land trust or government agency does not automatically guarantee the land's health because day-to-day management may be necessary to keep invasive species from taking root or to counteract the influence of external factors such as changes in water or air quality. This level of management can be expensive. On working landscapes, because the land is already being managed intentionally, the management can be tailored to achieve more than just economic goals, thereby improving prospects for enhancing the land's biological and cultural values.

Agricultural easements were used to create buffers against development, forming greenbelts of open space between cities or residential zones, and to keep the most highly productive farmlands in permanent agricultural use. This approach meant residential and commercial developments were pushed—by default—onto those lands with only marginally productive soils. This tactic accommodates population increases, because it is not designed to stop growth. At the same time, it protects the lands that contribute the most to a thriving agriculture industry. It is another tool that can help reduce the tensions between economic interests and those aligned around environmental or aesthetic values.

With **conservation easements** on cattle ranches, CCLI sought to conserve larger tracts that contain significant natural resources. The Denny Ranch is a 37,000-acre tract in the Lassen Foothills containing several thousand acres of blue oak woodlands and vernal pools. It falls within the Battle Creek watershed, a CCLI conservation priority, and can be managed in ways that support restoration efforts in the watershed. A \$2.5 million CCLI grant to The Nature Conservancy was used to spur a \$6.15 million transaction—a conservation easement that keeps the land working as a cattle ranch, with the requirement that it be managed in an environmentally sensitive manner. The deal took place in a region where there is very little visible support for conservation-based land transactions and now stands as an important, and helpful, local example.

CCLI also supplemented conservation transactions by supporting efforts to develop **innovative and effective public policies** having direct impacts on open space and sensitive habitats. Another grantee at Elkhorn Slough, Sustainable Conservation, helped lead the development and implementation of a streamlined permitting program, making it easier for landowners to obtain permits for restoration and stewardship projects on private lands.

A focus on protecting working landscapes, primarily through the use of easements, helps reduce tension between environmental and economic interests.

Efforts to improve a region's conservation capacity may prove more enduring than the attempts to improve the capacity of an individual group.

The simplified process increased interest and involvement at the local level, and Sustainable Conservation is now working to help establish similar policies statewide, as well as in other coastal counties.

Planning and policy efforts have greater risks—some CCLI grants brought to light how difficult it can be to form consensus around land management issues—but can also offer greater rewards. Purchasing enough open landscapes to preserve California's biological diversity and high quality of life is not an option; it would be far too expensive to purchase all the lands outright. Choosing to manage those lands in ways that respect biological, aesthetic, and economic needs *is* a viable option, but it requires an active approach to planning and policy. It is also important to note that successfully protecting landscapes over the long term, even those lands that have been purchased for conservation purposes, often requires changes in county plans or in state and federal policies. Thus, any comprehensive approach requires a consideration of public policy issues.

CCLI grants supported efforts to help shape **water policy** in California. The Foundation provided significant funding to support conservationist participation in the CALFED process, a cooperative effort of more than 20 state and federal agencies working with local communities to improve the quality and reliability of California's water supplies and revive the San Francisco Bay-Delta ecosystem—the largest estuary on the west coast of the Western Hemisphere. The conservation presence helped to fully develop the Ecosystem Restoration Program (ERP), which has distributed more than \$340 million in agency funds to restore natural communities (using sound science in setting the priorities).

CCLI supported several groups working on issues surrounding electric power dams and water flow levels across the Sierra. The California Hydropower Reform Coalition, with support from CCLI, played a key role in the Federal Energy Regulatory Commission's decision to increase flows and begin restoring more natural conditions in the Mokelumne and Feather Rivers. With the expected relicensing of more than 50 dams in the next 15 years, the Coalition's work came at an important time, as it can help set conservationist precedents. Many nongovernmental organizations (NGOs) also worked to ensure that there was no loss of conservation benefits when Pacific Gas & Electric began efforts to divest a large portion of its Sierra Nevada holdings.

Restoration and stewardship grants also played a role on key landscapes. Many of these funds are being used to advance the science of watershed restoration. Some, as in the case of Elkhorn Slough, are being used to monitor conditions and track progress. Still others are supporting the actual work of restoring lands to their natural conditions.

LESSONS LEARNED:

When is the land “conserved?”

At CCLI’s midway point in November 2000, the Foundation categorized lands as “conserved” or protected once the funds for that purpose had been distributed. For example, if a grant was expected to fund protection of 10,000 specific acres, this figure was added to the program’s running total at the time the grant was made.

In using our initial estimates, we announced at CCLI’s midway point that 327,190 acres had been conserved. Using a stricter methodology—considering lands conserved only when they have passed into active management for conservation purposes—the total is currently 342,355 conserved acres. This figure well exceeds the program’s original goal of 250,000 and represents significant progress toward the larger goal of 500,000 acres.

Why the accounting change? Prices change and do so quickly. The relative value of properties also changes. If a group receiving funds to conserve 10,000 acres realizes the price of acquisition may be dropping, they are wise to wait. Likewise, if a landowner raises prices because the presence of foundation funding makes it appear that money is no object, this, too, would be a case in which conservationists may choose to wait before completing a transaction. Both of these scenarios unfolded, and we’re grateful that our NGO partners focused not on achieving specific numeric goals but on gaining the best values.

With more than \$30 million remaining in CCLI funds currently being held by grantees and used in ongoing negotiations, the Foundation remains confident that it will come close to achieving the revised goal of 500,000 conserved acres by the end of 2006.



Ringtail

Invest in the conservation community

CCLI recognized that nonprofit organizations must be strong and resilient, because the work doesn’t end when an easement or fee title is acquired, or when a government policy is adopted. A strong conservation movement is necessary to help manage landscapes and to monitor and track the progress of stewardship programs.

CCLI staff often worked with grantees to help shape proposals, provide expertise (particularly on transactions), connect grantees to consultants who might catalyze in-house skill growth, provide guidance on leadership changes or staff hiring, and build networks and contacts for fundraising or partnering opportunities. While this work helped build skill levels at many organizations, the growth was an additional benefit of grants intended for other purposes. But CCLI also made many grants intended solely to build strength and skills among the conservation community.

profile



Howard Ranch: Protecting vernal pools near the Cosumnes River

Some of California's most unique ecosystems don't really exist for much of the year and are often much smaller than a shopping center parking lot. Yet they give life to plants and animals found nowhere else and are an important part of California's ranching and environmental heritage.

Though dry for most of the year, the Central Valley's vernal pools—shallow depressions with bottoms of bedrock or hard clay—are home to rare species that flourish in wet seasons. In spring, these vernal pools are often surrounded by concentric rings of wildflowers. Migratory waterfowl pause there to feed on protein-rich invertebrates, and raptors are drawn by the activity these pools create. They are as fragile as they are valuable: 90 percent of California's vernal pools have already been lost. Those that remain are under constant threat from urbanization and the spread of vineyards.

The Howard Ranch, a 12,000-acre parcel in the Cosumnes River watershed, contains large concentrations of vernal pools. Interestingly, grazing cattle have helped preserve the ranch's natural systems, eating nonnative plants that might otherwise overwhelm the local species. Because the ranch's owners were

unwilling to sell a conservation easement alone, The Nature Conservancy used CCLI funds and support from public agencies to purchase the land outright; they then transferred ownership to another rancher who agreed to a conservation easement, ensuring that overgrazing or development will never threaten the vernal pools.

The Howard Ranch purchase fits into CCLI's focus on the entire Cosumnes River watershed. (The Cosumnes is the only dam-free river flowing out of the Sierra.) The land is now managed as part of the 35,000-acre Cosumnes River Preserve, a 12-year-old farmland and habitat protection project. Ongoing stewardship efforts are being informed by the work of the Cosumnes Research Group (CRG) at the University of California, Davis. Funded in part by CCLI, the CRG has developed a basic hydrologic model for the watershed. They operate monitoring systems to gauge changes in the health of the landscape and are collecting and analyzing data that will direct ongoing management activities. In the long term, their work can do even more than protect resources in the Cosumnes River region; it can help direct similar stewardship programs throughout the state.

A large percentage of grants for this purpose were made directly to specific organizations with clear goals for enhancing their own capacity. For example, some groups received staff training in public communications, with follow-up help on specific announcements and writing projects. A more complex capacity-building grant went to the Sequoia Riverlands Trust, an organization formed by the merger of three separate land trusts. Grant monies were used to facilitate the merger, develop a strategic plan, fill leadership positions, and develop communications and outreach materials.

Other grants were intended to help fill gaps in the conservation infrastructure by creating new organizations. The Great Valley Center, founded with support from CCLI and other philanthropic partners, significantly increased the potential for land conservation in the entire Central Valley and its work will continue to help strengthen the many smaller conservation groups working in the Valley. The California Rangeland Trust, also founded with support from CCLI, has made great strides across the Sierra foothills and the coastal ranges in building interest in conservation easements; they also now have the capacity to manage easements. The Sierra Business Council—which preceded CCLI, but has received significant funding from it—has experimented with a wide range of conservation strategies throughout the Sierra and serves as a source of information and support for many groups in the region.

CCLI took other steps to enhance the overall conservation capacity within a given region, making programwide support available to all CCLI grantees. For example, GreenInfo Network (GIN) provided regional training sessions to help grantees understand how best to use and develop maps, and also worked with individual grantees to build in-house mapping capability. Other sessions on media training and expanding the use of technology to advance effectiveness and conservation outcomes were conducted for various organizations within the three regions. Grantees also learned from one another at these meetings and developed mentor-partner relationships. As a result, people and groups with varying skills and types of local knowledge began working together.

This support of regional conservation capacity may be CCLI's biggest contribution in the long-term.

The success of our capacity-building efforts for individual groups varied. Groups with longer histories and successful track records tended to benefit the most from these training efforts. Similarly, in regions where the overall conservation community was strong, CCLI capacity-building grants were able to add obvious value. In regions where the overall conservation capacity was weak, results were less consistent. But even these observations fail to take

Purchasing land and setting it aside is not a guarantee that the land will thrive in its natural state. This is why CCLI's greatest successes may be in those places where the full range of conservation tactics was employed.

into account the difficulty in establishing or monitoring the relative success of efforts to build capacity; these improvements are best measured over time.

Next Steps for the Packard Foundation

The five-year period of CCLI has ended, but our involvement has not. The Foundation will continue to follow through on CCLI commitments and investments, in particular because many projected transactions are still in various stages of negotiations. The need to monitor stewardship of these lands remains a priority as well.

Recently, the Foundation commissioned an independent, third-party evaluation of CCLI to better inform future decisions on similar programs. To assure the greatest possible candor from grantees and other parties, we agreed at the outset not to share the complete evaluation publicly. However, over the coming months, the evaluation team will be publishing a series of independent articles drawing on aspects of their work, to help share lessons with the land conservation community.

At the same time, the Foundation will begin a more intensive focus on protecting California coastal and marine areas. The new program will likely rely on many of the approaches utilized in CCLI, including acquisition, planning, policy development, restoration, and capacity-building. It will also rely on the Foundation's significant experience in aiding marine conservation efforts, especially the designation of marine reserves. Because the Central Coast will serve as a pilot region (within the context of a statewide policy effort), the Foundation will continue protecting lands in a key part of CCLI's geography. The program will also bear another similarity to CCLI: It will start with a process of engagement, involving NGOs, government agencies, local businesses and residents, and experts from many fields.

The time is ripe for a program that focuses energy and activity on this link between land and sea. Funding from Propositions 40 and 50 is available to help protect some key coastal lands permanently, restore coastal streams, and launch much needed mapping of potential marine reserves. The possible listing of various salmon runs as endangered species may increase interest among landowners and others in finding more creative means of conservation. And, ideally, the movement to protect coastal and marine resources will have learned a great deal about the efficient use of funds from its predecessor: the Packard Foundation's CCLI.

We will have more information about the new initiative early in 2004.

profile



Water Resources: Often the key to protecting landscapes

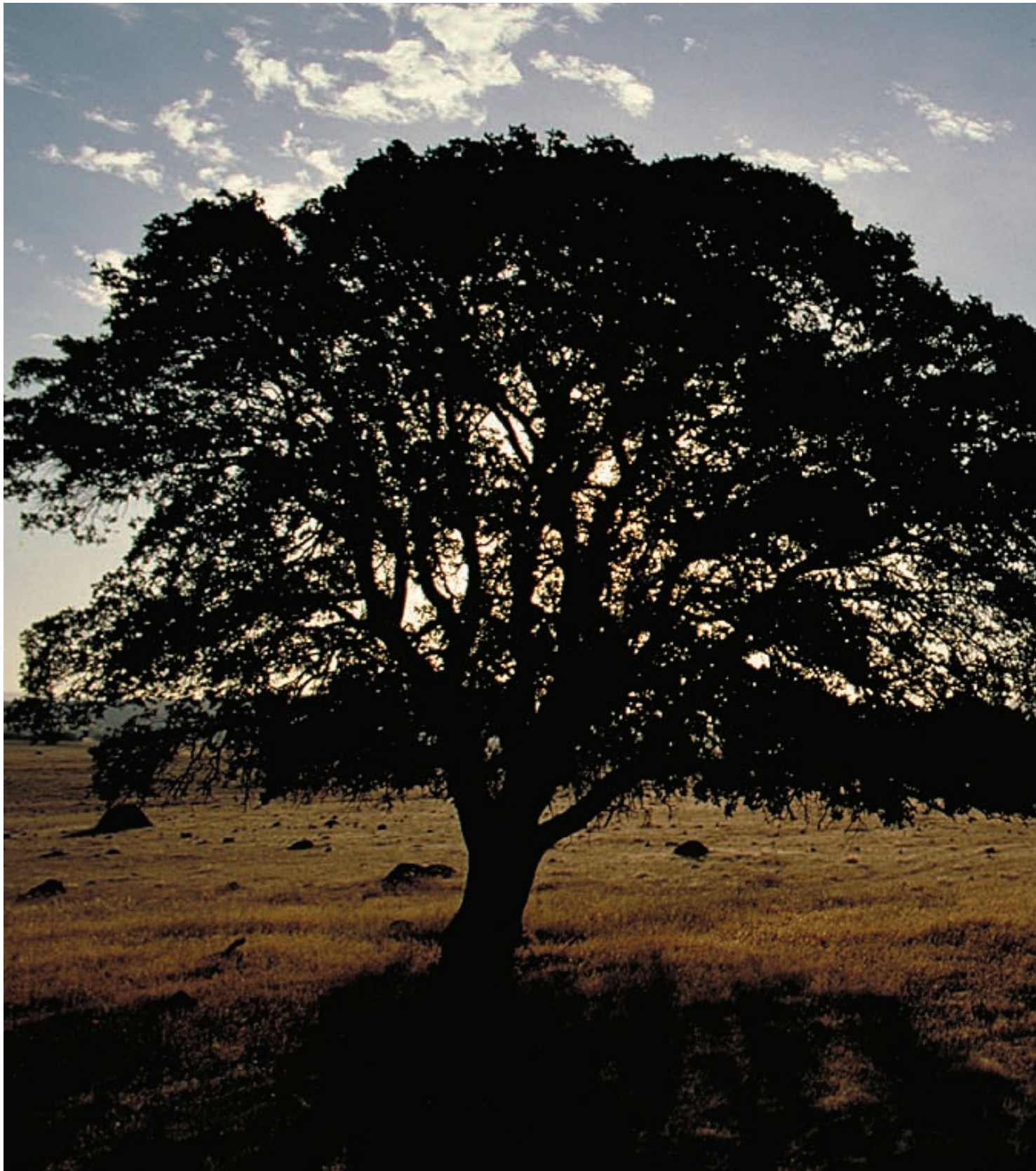
Many of CCLI's policy-related grants focused on water resources, investments that grew out of the program's inclination to consider the health of large landscapes. The long-term management of a parcel often depends on the quality and quantity of water flowing into it, in the same way that land management has a profound impact on aquatic life.

CCLI helped fund the removal of dams and obstructions on Clear Creek and Battle Creek, giving salmon and steelhead renewed access to 52 miles of habitat in tributaries of the upper Sacramento River. CCLI funding came at the right time, building on the momentum among federal agencies for dam removal in the late 1990s. A \$3 million grant is funding a 26-year adaptive management program for Battle Creek, so restoration activities can be responsive to a monitoring and research program.

Because hydropower and water regulation is dominated by regulatory actions of the Federal Energy Regulatory Commission (FERC) and the state Water Resources Control Board, CCLI made grants to help inform administrative agency policies at both the state and federal levels. We funded many

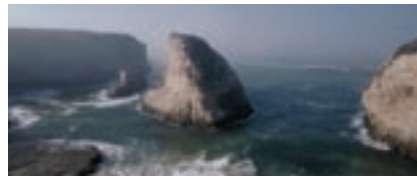
grantees for this purpose. The Natural Heritage Institute conducted research on the feasibility of a major program on conjunctive use, the practice of storing surface water in a groundwater basin in wet years and withdrawing it from the basin in dry years; they also helped develop the concept behind CALFED's Environmental Water Account. Trout Unlimited researched the public policy requirements for water transactions for environmental purposes. The Trust for Public Land reviewed California's rivers to prioritize them for protection via acquisition of water rights. The Resource Renewal Institute developed a Water Heritage Trust program for water acquisitions for environmental protection. The Natural Resources Defense Council and the Bay Institute participated directly in negotiations for the restoration of the San Joaquin River.

The California Hydropower Reform Coalition (CHRC), with support from CCLI, played a key role in FERC's decision to increase water flows on the Mokelumne and Feather Rivers and to fund monitoring and adaptive management programs for both. With the expected relicensing of more than 50 dams in the next 15 years, the Coalition's work can help set conservationist precedents.





CCLI Grantees



Coast Dairies
Trust for Public Land

STATEWIDE

American Farmland Trust
California Center for Land Recycling
California Center for Regional Leadership
California Environmental Trust
California Foundation on the Environment & the Economy
California Native Grass Association
California Rangeland Trust
California State Parks Foundation
California Wilderness Coalition
Center for Law in the Public Interest
Congress for the New Urbanism, Inc.
Conservation Fund, The
Environmental Careers Organization, Inc.
Environmental Defense Fund, Inc.
Environmental Law Institute
Foundation for American Communications
Friends of the River Foundation
GreenInfo Network
Institute for Local Self Government
Land Trust Alliance
Life Lab Science Program
Local Government Commission
NALEO Educational Fund
National Audubon Society California
National Fish & Wildlife Foundation
Nature Conservancy, Inc.
Pacific Forest Trust, Inc.
People for Open Space - Greenbelt Alliance
Planning & Conservation League Foundation
Point Reyes Bird Observatory
Public Policy Institute of California
Rails to Trails Conservancy
RESOLVE, Inc.
Resource Renewal Institute
Resources First Foundation
Scenic America
Surface Transportation Policy Project
Sustainable Conservation
Tides Center
Trout Unlimited, Inc.
Trust for Public Land, The
UC Berkeley, Institute of Urban & Regional Development
UC Berkeley, Dept. of Integrated Biology
UC Davis
UC Santa Barbara, D. Bren School of Environmental Science and Mgmt.
Yosemite National Institutes

CENTRAL COAST

Acterra
American Farmland Trust
American Land Conservancy
Bay Area Council, Inc.
Bay Area Ridge Trail Council
Bay Institute of San Francisco
Big Sur Land Trust
California Conservation Corps Foundation
California Forest Pest Council, The
California Rangeland Trust
California State Parks Foundation
Carmel Middle School
City of Monterey
Coastal San Luis RCD
Coastal Watershed Council
Common Ground Monterey County
Community Environmental Council, Inc.
Community Foundation of Santa Cruz County
Dominican University of California
Elkhorn Slough Foundation
Foundation of CSU Monterey Bay
Friends of Santa Cruz State Parks
Gaviota Coast Conservancy
Golden Gate National Parks Association
Green Foothills Foundation
Guadalupe-Nipomo Dunes Center
KTEH: Silicon Valley Public Television
Land Conservancy of San Luis Obispo County
Land Trust for Santa Barbara County
Land Trust for Santa Clara County
Land Trust of Santa Cruz County
LandWatch Monterey County
Lompico Watershed Conservancy
Martinez Regional Land Trust
Midpeninsula Regional Open Space District
Monterey Bay Marine Sanctuary Foundation
Monterey County Agricultural & Historical Land Conservancy Inc.
Muir Heritage Land Trust
National Audubon Society California
National Fish & Wildlife Foundation
Nature Conservancy, Inc.
Peninsula Open Space Trust
People for Open Space - Greenbelt Alliance
Planning & Conservation League Foundation
San Benito RCD
San Francisco Bay Wildlife Society
Santa Cruz County RCD
Save Mount Diablo
Save San Francisco Bay Association
Save-the-Redwoods League
Sempervirens Fund
South Coast Wilderness Sanctuary, Inc.
Sustainable Conservation
Tides Center
Trust for Public Land, The
University of California, Genetic Resources Conservation Program
UC Berkeley, Dept. of Integrated Biology
UC Santa Barbara, Marine Science Institute
Upper Salinas - Las Tablas RCD



Onyx Ranch
National Audubon
Society



Bear Valley Ranch
California Rangeland
Trust

SIERRA NEVADA

American Land Conservancy
American River Conservancy
California Conservation Corps Foundation
California Planning Foundation
California Tahoe Conservancy
California Waterfowl Association
Central Sierra Environmental Resource Center
Conservation Fund, The
Ducks Unlimited, Inc.
Fall River RCD
Feather River Land Trust
Friends of the River Foundation
Kaweah Land Trust
League to Save Lake Tahoe
Mountain Area Preservation Foundation
National Audubon Society California
Natural Resources Defense Council, Inc.
Nature Conservancy, Inc.
Nevada County Land Trust
Nevada County RCD
Placer Land Trust
River Network
Save-the-Redwoods League
Sequoia & Kings Canyon National Parks Foundation
Sierra Business Council
Sierra Fund
Sierra Los Tulares Land Trust
Sierra Nevada Alliance
South Yuba River Citizens League
Tahoe-Baikal Institute
Truckee Donner Land Trust
Truckee River Watershed Council
Truckee Tahoe Community Foundation
Trust for Public Land, The
UC Davis, Center for Integrated Watershed Science and Management
Water Education Foundation
Western Rivers Conservancy
Western Shasta RCD
Wilderness Society, The
Yosemite Fund, The
Yosemite Restoration Trust

CENTRAL VALLEY

American Farmland Trust
American Land Conservancy
Bay Institute of San Francisco
California Waterfowl Association
Central Sierra Environmental Resource Center
Ducks Unlimited, Inc.
Environmental Defense Fund, Inc.
Friends of the River Foundation
Grassland Water District
Great Valley Center, Inc.
Land Trust of Napa County
National Audubon Society California
Natural Heritage Institute, The
Natural Resources Defense Council, Inc.
Nature Conservancy, Inc.
River Partners
Rocky Mountain Elk Foundation Inc.
Sacramento River Conservation Area Forum
Sacramento River Watershed Program
Sacramento Valley Conservancy
San Joaquin River Parkway & Conservation Trust
Sierra Foothill Conservancy
Solano Land Trust
Stanford University
Suisun RCD
The Trust for Public Land
Tuolumne County Land Trust, Inc.
Tuolumne River Preservation Trust
Westside Resource Conservation District
Yolo Basin Foundation
Yosemite Fund

Previous spread:
Solitary Oak
Denny Ranch
The Nature Conservancy

Following spread:
Pacific Ocean
Rancho Ventana
American Land Conservancy





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