

5. Small Forest Landowner Office

5.1 Introduction

The Small Forest Landowner Office (SFLO) serves as a resource and focal point for small forest landowner concerns and policies. Its mission is to promote the economic and ecological viability of small forest landowners while protecting public natural resources. The office was created as a result of the 1999 Salmon Recovery Act, when the Forests and Fish Rules were passed. These new Forest Practices Rules resulted in increased size of riparian buffers and created further measures to protect water quality and restore salmon habitat in the forests of Washington State. The State Legislature recognized that the Forests and Fish Rules would have a disproportionate economic effect on small, family-owned forests. To help small landowners retain their forestland and not convert the land to other land uses, the legislature authorized the creation of a Small Forest Landowner Office within DNR.

This chapter describes the accomplishments, opportunities and challenges of the Small Forest Landowner Office, primarily regarding the two small forest landowner incentive programs: the Forestry Riparian Easement Program (FREP); and the Family Forest Fish Passage Program (FFFPP). These two programs are managed by the Small Forest Landowner Office and its partners to assist small forest landowners. A third program now administered by the office, which assists both small and large forest landowners, is the Rivers and Habitat Open Space Program (R&HOSP). The description of the program can be found in chapter 7 of this report.

The SFLO saw significant staffing changes during the reporting period. In addition to a new manager, the office hired a Grant Writer/Outreach Specialist. The efforts of this position also are included in this chapter.

5.2 Forestry Riparian Easement Program

Provisions included in the 1999 Salmon Recovery Act established the Forestry Riparian Easement Program (FREP). The easement program acknowledges the importance of small forest landowners and the contributions they make to protect wildlife habitat and water quality.

The Forestry Riparian Easement Program compensates eligible small forest landowners for “qualifying timber” in exchange for a 50-year easement. ‘Qualifying timber’ includes those trees that the landowner is required to leave unharvested as a result of Forest Practices Rules protecting Washington’s aquatic resources. Landowners cannot cut or remove any qualifying trees during the life of the easement. The landowner still owns the property and retains full access, but has “leased” the trees and their associated riparian function to the state. Funding for the program has been allocated by the Washington State Legislature since 2002.

Changes to the Forestry Riparian Easement Program

As the result of recommendations made through the Office of Financial Management, the 2011 Legislature passed ESHB 1509 that amended the program to:

- Define and establish eligibility for qualifying small forest landowners for the Forestry Riparian Easement Program. At the time compensation is offered for a forestry riparian easement, the landowner must be a small landowner,
- Remove non-profit organizations from program eligibility,
- Expand the definition for qualifying timber to include forest trees associated with an approved Forest Practices Application that cannot be harvested according to Forest Practices Rules on areas of potentially unstable slopes or landforms with the potential to deliver debris to a public resource or threaten public safety,
- Limit compensation for timber on potentially unstable slopes or landforms to \$50,000 for each landowner during a biennial funding period,
- Require DNR's Small Forest Landowner Office to determine the value of the easement based on timber values on the date the complete Forestry Riparian Easement Program application is received (however, no more than 50 percent of the funds may be used).
- Change the date that the 50-year easement term begins to the date the completed easement application is received, rather than the date the Forest Practices Application pertaining to the easement area is received by DNR.
- Expand the authority for DNR to reimburse qualifying landowners to include preparation costs for a Forestry Riparian Easement (e.g. geotechnical reports, stewardship plans),
- Require reimbursement from the selling landowner to DNR for the full amount of compensation for the Forestry Riparian Easement if the easement land is sold to a non-qualifying landowner within the first 10 years of compensation, and
- Direct the chair of the Forest Practices Board to form a group of stakeholders to investigate and recommend potential new long-term funding sources for Forestry Riparian Easement Program and report to the legislature by May 31, 2012.

In response to the legislation, the Forest Practices Board adopted a rule, consistent with ESHB 1509, that amends the Forestry Riparian Easement Program rules (in chapter 222-21 WAC). The Small Forest Landowner Office will have the procedures in place to acquire easements under the revised program by August 1, 2012.

DNR, at the request of the Board chair, hosted a public meeting on February 8, 2012 to collect ideas for possible Forestry Riparian Easement Program funding sources from interested stakeholders. A follow-up meeting was held on March 26, 2012 with staff from the Office of Financial Management and a subset of those stakeholders attending the February 8 meeting.

After careful consideration of stakeholder comments, DNR's experience implementing the program over the last eleven years, and the stated intent from chapter 76.13 RCW, the Board

chair recommended legislative consideration of three potential permanent long-term funding sources for the Forestry Riparian Easement Program.

1. Continued appropriation of capital budget funding for the FREP. This will fulfill the State's contributions to assist small forest landowners in meeting their obligations to the Forests and Fish law, as outlined in chapter 76.13.120 RCW .
2. Redirect existing funds through any one or more potential options including the Forests and Fish Support Account and Aquatic Land Enhancement Account.
3. Create new revenue sources to fund the Forestry Riparian Easement Program, such as Real Estate Excise Tax surcharges on Transfer of Development Right transactions, a new state lottery game, or vehicle or driver's license "opt out" fee.

The Table on the following page shows a summary of the Forestry Riparian Easement Program's capital budget.

**Department of Natural Resources
Small Forest Landowner Office
Forestry Riparian Easement Program
Capital Budget Summary**

	FY 2002-2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	Totals
	7/1/01-6/30/05	7/1/05-6/30/06	7/1/06-6/30/07	7/1/07-6/30/08	7/1/08-6/30/09	7/1/09-6/30/10	7/1/10-6/30/11	7/1/11-6/30/12	
Holdovers from Waiting List *	-	56	91	110	112	65	75	79	
Applied during FY*	143	69	59	44	28	10	16	17	386
Total Applicants on List in FY*	143	125	150	154	140	75	91	96	
Easements Purchased	87	34	40	42	75	0	12	0	290
Waiting List*	56	91	110	112	65	75	79	96	
Amount Appropriated	\$7,750,000	\$8,000,000	\$10,300,000	\$10,300,000	\$0	\$0	\$1,000,000	\$1,000,000	\$28,050,000
Amount used for Administration of Program		\$300,000	\$560,000				\$0	\$0	\$860,000
Amount Spent	\$7,097,350	\$2,892,000	\$4,808,000	\$4,079,000	\$5,500,000	\$0	\$929,000	\$0	\$25,305,350
Acres Purchased	1,481	602	857	804	1,049	0	148	0	4,941
Amount Remaining	\$652,650	\$0	\$0	\$0	\$161,000	\$0	\$71,000	\$1,000,000	
Average Value of Easement per FY	\$81,579	\$85,059	\$120,200	\$97,119	\$73,333	\$0	\$77,417	\$0	
Cumulative Average Value of Easement	\$81,579	\$82,557	\$91,909	\$92,987	\$87,685	\$87,685	\$87,260		
Amount Requested from Legislature	\$10,000,000	\$13,050,000	\$13,800,000	\$13,800,000		\$10,000,000			

Dollar values include all costs associated with the easement acquisition process.

**Number of FREP applications*

FREPSummary09 27 12.docx

5.3 Family Forest Fish Passage Program

The Washington State Legislature established the Family Forest Fish Passage Program (FFFPP) in 2003 (RCW 76.13.150). Eliminating fish passage barriers can be costly. The program was developed to provide regulatory and monetary relief for small forest landowners to comply with the Forests and Fish Rule requirement for the removal of fish passage barriers. The voluntary program allows these landowners to sign up for assistance to correct fish passage barriers on their forest road stream crossings. The program is a continuing success, recognized as a model for interagency cooperation and for assisting landowners.

In general, the 2003 law required:

- Washington State to create a cost-share program that would provide from 75- to-100 percent of the cost of removing fish barriers on small forest landowner lands.
- Barriers be prioritized and repaired on a “worst-first” basis.
- Annual prioritization of projects submitted during the previous year. Those projects providing the greatest benefit to public resources are funded, lower priority projects remain in the program to be funded once they become higher priority and money is available.
- By signing up for the program, a landowner is relieved of any forest practices obligation to fix a fish passage barrier until funding is made available to complete the project.

Three state agencies and a stakeholder group cooperate to manage and fund the program:

- Washington State Department of Natural Resources (DNR) Small Forest Landowner Office is the main point of contact for program information, assisting landowners, providing outreach, and coordinating additional funding sources.
- Washington State Department of Fish and Wildlife (WDFW) is responsible for evaluating the barrier, assessing habitat quality of the stream, and ranking barriers for correction.
- The Washington State Recreation and Conservation Office (RCO) administers program funding and provides information on program contracts, billing, and reimbursement.
- Washington Farm Forestry Association (WFFA) represents the small forest landowner community on the steering committee; providing program oversight and assisting with project approval.

WDFW Ranking of Fish Passage Barriers for the Family Forest Fish Passage Program

Program legislation (RCW 77.12.755) directs repair of worst barriers first starting with barriers lowest in the watersheds. To identify and prioritize the worst barriers, WDFW rates the barriers enrolled in the Family Forest Fish Passage Program (FFFPP) on the following criteria:

- Number of fish species that benefit
- Amount and quality of habitat opened

- Degree of fish barrier—degree to which fish are prevented from moving up- and down-stream
- Number and location of other barriers and the degree of those barriers
- Concurrence from Lead Entity Watershed groups (groups that take the lead on salmon habitat recovery plans in the watershed)
- Cost effectiveness

Projects are scored to provide an initial list that is evaluated by the three state agencies; DNR, Recreation and Conservation Office, and Washington Department of Fish and Wildlife. This information, along with project cost estimates, is provided to the Family Forest Fish Passage Program Steering Committee for final funding decisions.

Information on the fish passage barriers obtained during site visits is placed in the WDFW Fish Passage Barrier Inventory. The inventory includes those stream crossings that have been identified through Washington State Department of Transportation inventories, local government inventories, barriers identified in Family Forest Fish Passage Program stream surveys, and local inventories funded by the Salmon Recovery Funding Board.

Program Challenges and Opportunities

In addition to providing adequate funding, the two greatest challenges for the Family Forest Fish Passage Program are filling data gaps in the inventory information and getting the word out to landowners that would benefit from the program. DNR and cooperating partners continue to pursue funding for inventory related work. The office continues to be successful at obtaining grants to help offset state Capital Fund allocations for the program. In June, 2012, the FFFPP partnered with the Natural Resource Conservation Service under the Puget Sound Salmon Recovery Partnership grant to replace barrier culverts on high priority projects in the Puget Sound. Combined resources funded three small forest landowner’s barrier replacement projects. Additionally, the Small Forest Landowner Office submitted a grant proposal for \$350,000 to the National Fish and Wildlife Foundation to conduct road inventories on small forest landowner properties, fix fish passage barriers, address any road surface erosion and/or sediment delivery issues, as well as promote ecologically sound forestry options to landowners.

In 2012, a welcome opportunity presented itself through the passage of the “Jobs in the Environment” bill, which allocated \$10 million for capital projects, and the FFFPP received \$10 million dollars toward additional fish barrier corrections. The program will replace 17 fish barriers during the 2012 construction season, and with the \$10 million, an additional 88 fish passage barriers are anticipated to be corrected at an average cost of \$102,154.00 per project.

This year, the Family Forest Fish Passage Program solicited proposals to create a video of their projects, which is intended to educate small forest landowners about the program; to increase landowner enrollment; and to potentially increase funding opportunities based on increased enrollment in the program. The message is directed specifically to non-industrial private forest land-owners, other conservation professionals, as well as governmental and non-governmental

representatives throughout the state of Washington.

At least three small forest landowner stories will be filmed and documented for this project. These stories will reflect on the personal experience landowners had working with the Family Forest Fish Passage Program staff, and the level of satisfaction they have regarding the program. Interviews with professionals involved in the program and in salmon habitat restoration projects also will be filmed and documented. The video is scheduled to be completed by October 2012.

Family Forest Fish Passage Program Accomplishments

Numbers and Costs	FY 2012	Cumulative Since 2003
Eligible Small Forest Landowner Applications	46	
Eligible Sites	64	
Projects Completed	22	242.00
Stream Miles Opened Up	41.33	521.33
Cost of Completed Projects	\$1.75 million	15.75 million

5.4 Small Forest Landowner Office Outreach

The Small Forest Landowner Office carries out outreach as communications between the agencies and the public to foster a mutual understanding, promote public involvement, and influence actions with the goal of serving as a resource and focal point for small forest landowners concerns and policies.

It is estimated that more than 215,000 small forest landowners manage 3.2 million acres of forests in Washington—more than half of the private forest and woodland acreage in the state. Their forests tend to be concentrated in the lower elevation habitats along lakes and streams, which are key locations for providing ecosystem functions. Their forests also tend to be subject to development pressures, making it especially important to support them in their efforts to maintain their land in forestry. These landowners are absorbing heavy impacts on their forests from increasing demands for timber; fish, wildlife and water protection; recreational uses; and aesthetic resources due to population growth and a shrinking commercial forest land base.

One of the challenges of the Small Forest Landowner Office is reaching small forest landowners to make them aware of technical, educational, and cost-share assistance programs to protect water quality, fish and wildlife habitat, improve forest health, reduce the risk of wildfire and help small forest landowners retain their forestland.

The Small Forest Landowner Office’s online survey requested information about the demographics of our landowners, such as: how many acres they own, how long they have owned their property, the purpose of the use of the forest land, whether water is present on the property, and organizations that they are involved in. So far, the major survey trends show: the majority of landowners own 100 acres or less, most manage their land for timber production followed by

wildlife habitat, and most have water on their property. Survey answers will help the SFLO direct work to support these landowner goals and management objectives.

The Small Forest Landowner office distributed the February, April, and June editions of the Small Forest Landowner News to our growing list of 3,500 subscribers. The newsletter is distributed every other month. Landowners can subscribe [on the website](#) or request by email to sflo@dnr.wa.gov. Readers can catch up on [Archived Small Forest Landowner News editions](#).

Forestry Riparian Easement Program Outreach

- At the request of the Washington State Legislature, DNR was tasked to find potential permanent funding sources for FREP, and public meetings were held to initiate a conversation with stakeholders. A report of the recommendations from the public meetings was sent to the legislature on May 31, 2012, and is on the [Forestry Riparian Easement Program](#) website.
- The Forestry Riparian Easement Program has updated its webpage, has developed educational materials, and increased interactions with stakeholders at Timber Fish and Wildlife (TFW) and Region District Meetings to inform interested people about the changes and updates of the program.

Family Forest Fish Passage Program Outreach

- The Family Forest and Fish Passage Program now has the [program application](#) for potential projects online. Updates have been made to educational materials including: brochure (see Appendix #2), fact sheet, contact list, program guidelines, and frequently asked questions. The program is developing an educational and promotional video. This video will be integral in providing outreach and educational opportunities to potential eligible landowners, the legislature, and other public stakeholders.
- The FFFPP has increased its presence at TFW meetings, Region District meetings, Society of American Foresters meetings, and Washington Farm Forestry Association meetings. The outreach is to help the program continually look for the best projects to ensure that the worst projects are fixed first. The program also is collaborating with fish enhancement groups to act as sponsors to the program.
- The Family Forest and Fish Passage Program created a survey to engage landowners who have participated in the program. The survey gathered valuable comments on the construction process, as well as landowner testimonials and quotes about the program that help educate other stakeholders.
- This June, Family Forest and Fish Passage Program partnered with the Natural Resource Conservation Service under the Puget Sound Salmon Recovery Partnership grant to replace barrier culverts on high priority projects in the Puget Sound to combine resources to fund three small forest landowner's barrier replacement projects.

Rivers and Habitat Open Space Program Outreach

Though the Rivers and Habitat Open Space Program (RHOSP) is not funded for this biennium, DNR has asked forest landowners to indicate their level of interest. Landowners who may be interested in applying are asked to submit a [Notice of Intent form](#). The completed forms will help DNR gauge the overall interest and illustrate to the Legislature the need for funding this program. The Small Forest Landowner Office has increased outreach activities through attendance at stakeholder meetings, newsletter, use of the Notice of Intent form, updated website and other educational materials, and press releases that enlist media assistance in informing the public and will keep them apprised of projects and results.

Forest Stewardship Program Outreach

1. Collaboration outreach efforts with Washington State University Extension to host three Forest Owners Field Days across Washington State. WSU extension and DNR worked together on promotional materials for the event and work together to facilitate each event.
2. The Forest Stewardship Program promotes many of its events and classes through the SFL News.
3. An educational brochure was created to promote the Eastern Washington cost-share program in Eastern Washington to improve forest health and reduce wildfire and bark beetle risk.

Long-term Applications Outreach

The Small Forest Landowner Advisory Committee with assistance from the SFLO conducted a survey about the Long-term Application (LTA) process. The Committee wanted to know if practitioners were aware of the process and if they thought private landowners used this application on a regular basis. The survey was taken by 89 individuals. The survey results showed that almost 20 percent of the respondents had not heard of the LTA. Of the respondents who were familiar with the LTA process, the results showed that the reason landowners used the LTA was for more harvest flexibility. Forester assistance was identified as the best way to help landowners implement a LTA. Finally, the survey showed that almost 70 percent of the respondents were likely to recommend the LTA to others.

Grant Applications

Grant Proposal	Status
2012 Western Competitive Resource Allocation Grant	2 grant proposals submitted: Absentee Outreach (\$130,000 – received funding), and Columbia fish passage (\$300,000 – no funding)
Natural Resources Conservation Service, Puget Sound Salmon Recovery Partnership Grant	Grant received May 2012. The grant will provide fish passage projects to three landowners through NRCS Environmental Quality Incentives Program (EQIP) funding

Grant Proposal	Status
2013 National Fish and Wildlife Foundation's Conservation Partners Grant in partnership with Northwest Natural Resources Group (NNRG)	Pre-Proposal submitted June 2012 and invited to submit full proposal by August 2012. This grant will conduct road inventories on SFLO properties, fix fish passage barriers, fix road surface erosion and sediment delivery where it exists, as well as promote ecological forestry options to landowners.

The Small Forest Landowner Office goal is to continue to provide the highest quality of outreach to the small forest landowners. We will continue to pursue the use of media and social media to inform the public on the program and the resources offered. The office continues to search for external funding and grants as they become available to provide more assistance to small forest landowners. An important component of this outreach is to solicit feedback from users and track our outreach activities to ensure effectiveness.