



DEPARTMENT OF NATURAL RESOURCES

OFFICE OF THE COMMISSIONER OF PUBLIC LANDS

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March 31, 2021

The Honorable Bernard Dean
Chief Clerk of the House
338B Legislative Building
Olympia, WA 98504

The Honorable Brad Hendrickson
Secretary of the Senate
312 Legislative Building
Olympia, WA 98504

Dear Chief Clerk Dean and Secretary Hendrickson:

Please accept the enclosed report, submitted on behalf of the Department of Natural Resources (“department”), as directed by the Legislature by Revised Code Washington (“RCW”) 76.13.110(6). The language in the RCW directs the Department of Natural Resources (“Department”) to provide a demographic report update pertaining to small forest landowners to the Legislature and the Forest Practices Board every four years by December 1st.

As a reminder, the Department’s ability to submit the aforementioned report is directly related to another report to the Legislature, mandated by the 2019 Engrossed Substitute Senate Bill 5330. This bill requires the University of Washington (“University”) to submit a report containing recommendations to the legislature based on updated small forest landowner parcel data by November 1, 2020. The University requested to extend the report’s delivery date to January 11, 2021.

Because the Department’s staff relies on current data and survey information that is to be provided in the report from the University, the Department’s report was not able to be effectively completed until the University’s report was made available. We appreciate your patience and understanding in this matter.

Should you have any questions, please contact me at 360-764-0013 or Kristine.Reeves@dnr.wa.gov.

Sincerely,

Kristine Reeves
Legislative Director

Cc: Forest Practices Board
Members of the Senate Agriculture, Water, Natural Resources & Parks Committee
Members of the House Rural Development, Agriculture & Natural Resources Committee
Members of the Senate Ways & Means Committee
Members of the House Appropriations Committee
Members of the House Capital Budget Committee
Members of the House Environment & Energy Committee
Members of the Senate Environment, Energy, & Technology Committee
Stephen Bernath, Deputy Supervisor for Forest Practices, Washington State Department of Natural Resources



Small Forest Landowner Demographic Report

2021



WASHINGTON STATE DEPARTMENT OF
NATURAL RESOURCES

A Report to the Legislature: Small Forest Landowner Demographic Report 2021

March 2021

Washington State Department of Natural Resources
Forest Practices Division, Small Forest Landowner Office



WASHINGTON STATE DEPARTMENT OF
NATURAL RESOURCES

Acknowledgments

The majority of information contained in this Small Forest Landowner Demographic Report was derived from the University of Washington's ESSB 5330 Report titled "*Washington's Small Forest Landowners in 2020 Status, Trends, and Recommendations After 20 Years of Forests and Fish*" published January 2021. This report would not have been possible without the information and work from this University of Washington Report.

**This report was prepared by the Washington State Department of Natural Resources,
Forest Practices Division.
2021**

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1. Executive Summary

With over 19.24 million acres of forestland¹, Washington is the Evergreen State. From the lush rainforests on our coasts, to the rugged sub-alpine forests along the Cascade Crest, to the pine-dominated hillsides surrounding the Columbia Plateau, forests are an integral part of our landscapes and communities, and they provide a wealth of benefits to Washingtonians and the planet. They provide us with sustainable timber and jobs, produce clean air and water, and sequester carbon. In 2019, small forest landowners collectively owned about 15% of the forest area: approximately 2.9 million forested acres evenly split between the western and eastern portions of the state. Collectively, these lands provide significant benefits for all of us, even though individual small forest landowners value and manage their properties for a range of specific priorities.

Conversion of forests to non-forest uses is caused by human-related development including urban growth and expansion of residential and commercial activities, development of transportation networks and right-of-ways, and conversion to agricultural production. The location of many small forest landowner properties being on the edge of urban areas makes them more at risk to conversion to other land uses. As development pressure increases, we should be providing more incentives to prevent conversion of working forests within the wildland-urban interface. These lands are critical for reducing wildfire risk, providing critical fish and wildlife habitat, clean air and water, and a buffer to further encroachment into forest lands. More tools are critical to keep these lands in forest management.

This report utilizes and builds on a wealth of small forest landowner demographic information, trend analysis and recommendations reported to the Legislature in the report “[*Washington’s Small Forest Landowners in 2020 Status, Trends, and Recommendations After 20 Years of Forests and Fish*](#),” published on January 11, 2021.

The Value of Small Forest Landowners

In [RCW 76.13.005](#), the Legislature recognized that a large portion of private forest and woodland acreage in Washington is owned by landowners with fewer than 5,000 acres who are not in the business of industrial handling or processing of timber products (that is, “small forest landowners”). Along with a range of benefits provided to society that include clean air and water, carbon storage, scenic qualities, and wood products, properties owned by small forest landowners provide valuable habitat for salmon and many of the state’s other fish, wildlife, and plant species. Many habitats can be protected and improved through informed forest resource stewardship.

¹[*Washington’s Small Forest Landowners in 2020 Status, Trends, and Recommendations After 20 Years of Forests and Fish*](#), published on January 11, 2021.

Providing for sustained, long-term stewardship of small forest landowners' woodlands in and near urban growth areas and rural areas is important to maintain Washington's special character and quality of life. In order to encourage and maintain nonindustrial forests and woodlands for their present and future benefit to all citizens, Washington's small forest landowners' long-term commitment to stewardship of forest resources should be recognized and supported by the citizens of Washington State.

Challenges

The most recent UW Small Forest Landowner Demographic Report found that between 2007 and 2019, Washington lost almost 400,000 acres of forestland across the state. During this period, small forest landowner forest acres in forestry or natural land uses declined by 5.7% (112,500 acres). With increasing development pressure from population growth and the ability and interest to now "work from anywhere" as a result of the COVID-19 pandemic, as well as increasing financial insecurity for some, the rate of forest loss in Washington over the next decade will likely increase significantly without measures being taken.

Additionally, available demographic data of small forest landowners highlights that they tend to be older (an average of 64 years old) and have higher incomes than the general population; they therefore represent a somewhat limited demographic subset of Washington's diverse population. This raises concerns both about potential conversion as forestland ownership transfers to the next generation, as well as equity, and who in the state has the means to acquire and maintain forestland.

Opportunities

Although the total area of small forest landowner forest declined between 2007 and 2019, the number of individual small forest landowners increased by nearly 17,500 (8.5%) to 218,000. This increase highlights the vast opportunity Washington has to support the conservation of working forestland across the state.

Small forest landowners own and value forests according to a variety of differing objectives. The University of Washington conducted a survey of small forest landowners to rank their perception of different aspects or values of forestland ownership. The survey revealed that the four highest ranked aspects of forest ownership were:

- 1) Nature and aesthetics;
- 2) Recreation; non-timber forest products, and hunting
- 3) Family and privacy, and
- 4) Income, investment, and heirs.

An important finding was that as the size of small forest landowners' acreage ownership increased, the landowner's ranking of the importance of "income, investment and heirs" tended to increase as well. Such landowners own a disproportionately large amount of all small forest

landowner lands.² Western WA has three times as many small forest landowners as Eastern Washington, yet the land base for small forest land ownership is nearly equally divided between eastern and western Washington. This provides an opportunity to develop different resources and education materials catered to diverse landowner objectives.

The surveys also revealed that many small forest landowners value their forest for more than one reason or objective. For example, they can think about timber income and having good environmental conditions on their lands instead of timber income or having good environmental conditions on their forests. Issues identified through the landowner surveys as having the most impact on small forest landowners include:

- property taxes;
- wildfire; and
- development of nearby lands for residential purposes.

The range of values held by individual small forest landowners provides opportunity to develop a suite of tools aimed at retaining forest land. The UW Report identified that many small forest landowners are keenly interested in learning about forest land stewardship. This offers insight into the services small forest landowners need to meet the objectives they want and help encourage long-term forest management of these valuable forest lands.

The UW Report found no significant association between general regulatory concerns and reported forestland sales, including those that could result in land use conversion. As well, they found that forest lands with riparian buffers were not sold more frequently than other small forest landowner lands.

Developing Solutions

The results of this assessment and the recent UW Report provide a clear call to action for supporting Washington forest lands and small forest landowners. Commissioner Franz and DNR are energized by the opportunity to advance innovative, transformative, statewide initiatives to protect Washington's forests. Given the findings in this report, the 2020 Washington State Forest Action Plan, and other studies, it is increasingly clear that there is compelling need for a statewide strategy to build momentum, support, policy and funding for increased forest protection, including conservation of working forestlands, in Washington State.

The recommendations set forward in this report were reviewed by the Small Forest Landowner Advisory Committee. DNR envisions that these solutions will fall in three broad categories:

- 1. Policies that support, fund and incentivize forest retention and prevent the loss of private forestlands.**

[DNR's 2020 Forest Action Plan](#) identifies that forest conversion, or loss of forests, not only increases the costs and risks of fire suppression, but also can result in loss of fish and wildlife habitat, affect water quality, and reduce the forestland base that is necessary

² The UW Report indicated that small forest landowners who found the "Single focus: financial interest" as the highest-ranking aspect of forest ownership collectively owned more than half (54 percent) of all small forest landowner acres.

to support milling infrastructure and forest industry jobs. As well, [DNR's Plan for Climate Resiliency](#) identifies forest conversion as a risk to climate resiliency.

A host of approaches are available for preventing conversion, including outright purchase of development rights or acquisition of conservation easements, as well as other mechanisms and land-use policy tools that can address some of the threats related to conversion. Effective incentives and innovative land use strategies are also needed to reduce development pressures on working forest lands. We look forward to working with the Legislature to increase effective investments, incentives and policies that will turn the tide on the continued loss of forestlands.

2. Additional resources and funding for regulatory assistance and stewardship programs.

Although the UW Report reported generally positive landowner survey comments and noted that the Small Forest Landowner Office (SFLO) has performed well under limited funding and staffing provisions, it also concluded that the office needs additional resources in order to fulfill its legislatively mandated mission ([RCW 76.13.110](#)). As recommended in the UW Report, stable funding for additional “boots on the ground” stewardship and regulatory assistance foresters is needed. Additional regulatory assistance foresters would help small forest landowners with complicated forest practices applications, such as those that include alternate forest management plans. Additional funding for existing, popular, but underfunded, programs such as the Forest Riparian Easement Program (FREP) and the Family Forest Fish Passage Program (FFFPP) is also necessary.

3. Availability of current information about the small forest landowner population

Timely, reliable, and consistent information data about small forest landowners and their lands is important to many entities, and this SFLO report requires current demographic and socioeconomic data as the basis to understand key aspects of concern about the small forest landowner population. However, current data collection on SFLO demographics may not address some of the questions the legislature may ask in the future, particularly as it relates to equity in forestland ownership. Stable financial support for ongoing data collection and research collaborations is needed to provide a continued source of policy-relevant SFLO data and research. We therefore recommend the Legislature provide funding to the University of Washington every four years to update the small forest landowner forestland database, conduct relevant surveys and collect other data as needed. Funding and work needs to be timed so that the results are available to facilitate the SFLO's work and timely completion of future iterations of this report every four years (next due on December 1, 2024).

The primary recommendations under the first two categories are as follows:

1. Policies that support or incentivize forest retention and prevent the loss of private forestlands

- a. Expand the Designated Forestland (DFL) taxation rules to ensure eligibility of forestlands that are valued and managed for a range of ownership objectives in

addition to wood products, including forest health and wildfire resiliency, so that small forest landowners are eligible for favorable property taxation rates.

- b.** Take a stronger leadership role in supporting the existing Transfer of Development Rights (TDR) marketplace and expand program to include other counties with high conversion rates.
- c.** Recognize the value of these working forest lands for ecosystem services, including carbon sequestration and climate resiliency and make strategic big scale investments in them as a priority of any environmental and climate solution.

2. Additional resources and funding for regulatory assistance and stewardship programs

- a.** Provide additional funding for the stewardship and regulatory assistance to ensure greater outreach and education to small forest landowners who want to learn about the care, management, or protection of their lands.
- b.** Simultaneously support salmon recovery and small forest landowners by providing additional funding for the Family Forest Fish Passage Program (FFFPP);
- c.** Help retain land in forest and open space use and mitigate the perceived negative impacts of riparian regulations for affected small forest landowners by providing additional funding for the Forestry Riparian Easement Program (FREP).

2. Introduction

The Small Forest Landowner Demographic Report was written to fulfill the requirements of Revised Code of Washington (RCW) 76.13.110. This RCW requires the Small Forest Landowner Office to provide a report to the Forest Practices Board (Board) and the Legislature containing the following information:

(5) (a) Estimates of the amounts of nonindustrial forests and woodlands in holdings of twenty acres or less, twenty-one to one hundred acres, one hundred to one thousand acres, and one thousand to five thousand acres, in western Washington and eastern Washington, and the number of persons having total nonindustrial forest and woodland holdings in those size ranges;

(b) Estimates of the number of parcels of nonindustrial forests and woodlands held in contiguous ownerships of twenty acres or less, and the percentages of those parcels containing improvements used: (i) As primary residences for half or more of most years; (ii) as vacation homes or other temporary residences for less than half of most years; and (iii) for other uses;

(c) The watershed administrative units in which significant portions of the riparian areas or total land area are nonindustrial forests and woodlands;

(d) Estimates of the number of forest practices applications and notifications filed per year for forest road construction, silvicultural activities to enhance timber growth, timber harvest not associated with conversion to non-forest land uses, with estimates of the number of acres of nonindustrial forests and woodlands on which forest practices are conducted under those applications and notifications; and

(e) Recommendations on ways the board and the legislature could provide more effective incentives to encourage continued management of nonindustrial forests and woodlands for forestry uses in ways that better protect salmon, other fish and wildlife, water quality, and other environmental values.

(6) By December 1, 2004, and every four years thereafter, the small forestland owner office shall provide to the board and the legislature an update of the report described in subsection (5) of this section, containing more recent information and describing:

(a) Trends in the items estimated under subsection (5) (a) through (d) of this section;

(b) Whether, how, and to what extent the forest practices act and rules contributed to those trends; and

(c) Whether, how, and to what extent: (i) The board and legislature implemented recommendations made in the previous report; and (ii) implementation of or failure to implement those recommendations affected those trends.

This Demographic Report utilizes and incorporates information recently reported to the Legislature in “[*Washington’s Small Forest Landowners in 2020 Status, Trends, and Recommendations After 20 Years of Forests and Fish*](#),” published on January 11, 2021. During the 2019 Legislative Session, the Washington State Legislature, via ESB 5330, tasked the School of Environmental and Forest Sciences, within the College of the Environment at the University of Washington, to address a broad set of questions that deal with the status of Washington’s

small forest landowners and their lands. Those questions addressed the status of the forestlands, any relevant trends, regulatory impacts, state policies and programs regarding the forestlands, and recommendations to help encourage “continued management of nonindustrial forests for forestry uses, including traditional timber harvest uses, open space uses, or as a part of developing carbon market schemes.” Although ESB 5330 asked a specific set of questions, its overall focus was to obtain a broader understanding of small forest landowners and their forestlands and how the state can engage in cost-effective actions to help support small forest landowners with the stewardship of their forestlands.

When collecting information in order to answer the above questions for the UW Report, the university contacted a broad variety of stakeholders to help answer the Legislature’s questions and to perform needed analysis. The report’s analysis used trends analysis, regulatory impact analysis, and other data to provide recommendations on ways the Forest Practices Board and the Legislature could provide more effective incentives to encourage continued management of small forest landowner forests for forestry uses, including traditional timber harvest uses, open space uses, or as part of developing carbon market ventures. The report includes recommendations for improving retention of working forestland held by small forest landowners.

The UW Report addressed the following questions and topics:

- Has the number of small forest landowners increased or decreased?
- Has the acreage held by small forest landowners increased or decreased?
- Of the land no longer owned by small forest landowners, what percentage was converted to non-forest use, became industrial forestland, trust land, or some other use?
- Determine which factors contributed to small forest landowners selling their land.
- Recommend actions the Legislature can take to help keep forestland working.
- Assess the effectiveness and implementation of the programs created in RCW [76.13.100\(2\)](#) which described programs to assist small forest landowners and mitigate the disproportionate economic impact. The assessment included:
 - Evaluating the effectiveness of the Small Forest Landowner Office:
 - Does it have adequate resources and authority to successfully address landowner concern?
 - Has it received adequate funding to implement fully the duties as assigned through RCW 76.13.110?
 - Does the structure of the Forestry Riparian Easement Program adequately address the economic impact to small forestland owners? Has funding kept up with need? Has the lack of funding resulted in the loss of riparian habitat?
 - Has the Family Forest Fish Passage Program addressed the economic impact to landowners and fish passage barriers adequately?

The patterns of small forest landowners across the state tend to be concentrated in the lowland forested areas, often along major rivers and streams. Small forest landowners play a key role in protecting water quality, providing diverse habitats for fish and wildlife, providing raw materials for timber products and other forest goods and services, as well as sustaining valuable ecological functions across the landscape. Small forest landowners tend to be the first band of forestland

that borders urban growth areas and therefore face significant conversion pressure. Increasing land prices, real estate taxes, and economic hardships are making Washington's small forest landowners more vulnerable to threats of forest conversion and fragmentation as well.

Since the passage of the Salmon Recovery Act (House Bill 2091), the Legislature has had an interest in quantifying the numbers, acres, and other characteristics of small forest landowners and their lands. This information is crucial to help understand the changing forest land base and the potential implications to the state's economy, the ecological values on the landscape, the availability of fish and wildlife habitat, and other benefits enjoyed by the citizens of Washington State.

2.1 Methods - 2019 Forestland Database Documentation

For the UW Report, the university acquired parcel geometry and attribute data from each County Assessor's Office. Data included site address, owner name, mailing address, property value, land use code, and transaction (e.g., sale, inheritance, etc.) type and date. Multiple owners, land use codes, and transactions could be associated with a parcel. Duplicate tabular data was identified and precluded from the database. Spatial data were normalized by identifying duplicate and multipart polygons. The county parcel layer was then intersected with several datasets to summarize parcel attributes. First, forest cover was estimated for each parcel from the USGS National Land Cover Database (NLCD). They then used two criteria to identify parcels for the Forestland Database: private owners with at least 2 acres of parcel AND 1 acre of forest cover OR land use code 87, 88, 92, 95 AND less than 2,500 acres in W WA OR less than 9,990 acres in E WA.

3. 2019 Results

3.1 Forest Landholding Acres and Number of Small Forest Landowners

RCW 76.13.110(5)(a) (Provide) estimates of the amounts of nonindustrial forests and woodlands in holdings of twenty acres or less, twenty-one to one hundred acres, one hundred to one thousand acres, and one thousand to five thousand acres, in western Washington and eastern Washington, and the number of persons having total nonindustrial forest and woodland holdings in those size ranges.



Table 1. Total acres owned by small forest landowners in specific landholding size class increments in western and eastern Washington in 2019

Landholding Size Class (Acres)	SFL Forest Acres in Western Washington	SFL Forest Acres in Eastern Washington	Total SFL Statewide Forest Acres
2-20	492,574	145,682	638,256
21-100	446,825	432,082	878,907
101-1,000	402,282	608,948	1,011,230
1,001-5,000	82,705	233,611	316,316
5,001+	0	39,409	39,409
Total	1,424,386	1,459,732	2,884,118

Table 1 shows that small forest landowners owned 2.88 million forested acres in Washington in 2019. Of this acreage, the data show that small forest landowner acreage is split almost evenly between western and eastern Washington, containing about 1.4 million acres each.

Table 2. Change in Small Forest Landowner Forest Acres by Owner Size Class, 2007-2019.

Size Class (Acres)	Forest Acres, 2007	Forest Acres, 2019	Change
<20	666,847	638,256	-28,591
20-100	907,128	878,907	-28,221
100-1,000	1,071,265	1,011,229	-60,036
1,00-5,000	310,608	316,317	5,709
5,000+	31,590	39,409	7,819
All Classes	2,987,438	2,884,118	-103,320

From 2007 to 2019, small forest landowner forestland decreased from 2.99 million acres to 2.88 million acres (-103,000), which is roughly twice the area of the City of Seattle. Small forest landowner acreage declined in both Eastern and Western Washington, with decline in parcel area greater in Eastern Washington (-115,000 vs -94,000), while forestland loss was greater in Western Washington (-70,000 vs -33,000). The acreage in the small forest landowner size class from 100 to 1000 acres declined by 60,000 acres. The two smallest owner size classes declined by approximately 28,000 acres. In contrast, forest acres in the two largest size classes increased by 13,500 acres. (Table 2).

Table 3. Number of small forest landowners in specific landholding size class increments in western and eastern Washington in 2019.

Landholding Size Class (Acres)	Total Number of Small Forest Landowners in Western Washington	Total Number of Small Forest Landowners in Eastern Washington	Total Statewide Number of Small Forest Landowners
2-20	131,663	26,775	158,438
21-100	27,231	19,376	46,607
101-1,000	5,774	6,402	12,176
1,001-5,000	328	874	1,202
5,001+	0	57	57
Total	164,996	53,484	218,480

The number of small forest landowners increased from 201,000 in 2007 to 218,480 in 2019. The number of small forest landowners increased in 32 counties. The largest increases occurred in King (+6,000), Whatcom (+2,700), and Spokane counties (+1,300). Seven counties had fewer owners in 2019 than 2007, including Clark (-860) and Okanogan (-120) counties. By size class, the number of owners with 20 to 100 acres increased the most (+9,700). Statewide, the number of owners in each size class increased substantially (Table 4). The number of acres owned by small forest landowners decreased from 3,235,371 in 2007 to 2,884,118 in 2019.

Table 4. Change in number of small forest landowners in specific landholding size class increments between 2007 and 2019.

Size Class (Acres)	Number of Owners, 2007	Number of Owners, 2019	Change
<20	155,305	158,438	3,133
21-100	36,926	46,607	9,681
101-1,000	8,290	12,176	3,886
1,001-5,000	648	1,202	554
5,001+	24	57	33
All Classes	*200,895	*218,480	*17,287

* Total owners statewide are less than the sum of classes as some parcels with multiple owners are duplicated in class counts.

3.2 20-acre Parcels and Residency Status

RCW 76.13.110(5)(b) *(Provide) estimates of the number of parcels of nonindustrial forests and woodlands held in contiguous ownerships of twenty acres or less, and the percentages of those parcels containing improvements used: (i) As primary residences for half or more of most years; (ii) as vacation homes or other temporary residences for less than half of most years; and (iii) for other uses.*

The number of small forest landowners cannot be broken out by land use class. Table 5 shows the number of parcels by land use class and changes between 2007 and 2019. The largest share of parcels was Residential land use, followed by Forest Or Natural. These classes each contain over 100,000 parcels, compared to 21,000 parcels in Agriculture. The number of small forest landowner parcels in Residential increased by 12,000 between 2007 and 2019. Forest Or Natural and Agriculture decreased by 4,000 and 2,100 parcels, respectively.

Table 5. Changes in the Number of Parcels by Land Use Class from 2007 to 2019.

Land Use Class	Number of Parcels, 2007	Number of Parcels, 2019	Change
Agriculture	21,361	19,260	-2,101
Developed	1,663	1,727	64
Forest Or Natural	110,358	106,319	-4,039
None	1,385	620	-765
Other	2,102	2,052	-50
Residential	119,675	131,808	12,133
All Land Use Classes	256,544	261,786	5,242

3.3 Watershed Administrative Units having Significant³ Small Forest Landowner Ownership

RCW 76.13.110(5)(c) (*Identify*) the watershed administrative units in which significant portions of the riparian areas or total land area are nonindustrial forests and woodlands.

Table 6. WAUs containing 50 percent or greater small forest landowner acreage.

WAU NAME	County	Total WAU Acres	Total Small Forest Landowner Forested Acres	Percent Small Forest Landowner Forest Land in WAU
Beaver Creek	Spokane/Stevens	46,677	26,985	57%
Cedar Creek/Chelatchie Creek	Clark	35,532	20,307	57%
Chamokane Creek	Stevens	56,125	25,194	45%
Chewiliken Creek	Okanogan	16,784	9,283	55%

³ For this analysis, 50 percent or greater is used to identify “significant” portions of total land area.

WAU NAME	County	Total WAU Acres	Total Small Forest Landowner Forested Acres	Percent Small Forest Landowner Forest Land in WAU
China Creek	Stevens	38,120	17,508	46%
Cowlitz River/Mill Creek	Lewis	28,085	12,810	46%
Curlew Creek	Ferry	23,298	12,441	53%
Deadman Creek /Peone Creek	Spokane	53,673	29,181	54%
Deer Lake	Stevens	47,886	27,229	57%
Dragoon Creek	Stevens/Spokane	59,914	32,252	54%
George Creek	Asotin	21,729	12,154	56%
Grouse Creek	Stevens	25,179	15,167	60%
Haller Creek	Stevens	88,821	46,040	52%
Harris Creek	King	23,500	11,730	50%
Jordan	Snohomish	15,278	9,684	63%
Klickitat	Klickitat	30,966	16,275	53%
Kooskooskie	Walla Walla	18,198	12,982	71%
Lannigan Spring	Kittitas	31,585	15,293	48%
Little Deep Creek	Spokane	31,992	18,152	57%
Little Spokane/ Deer Creek	Spokane	46,039	27,912	61%
Lower Latah	Spokane	38,764	19126	49%

WAU NAME	County	Total WAU Acres	Total Small Forest Landowner Forested Acres	Percent Small Forest Landowner Forest Land in WAU
Lower Newaukum	Lewis	44,834	22,555	50%
Lower Long Lake	Spokane/Lincoln/Stevens	45,737	24,575	53%
Lower Pilchuck River	Snohomish	44,912	25,249	56%
Lower Swauk Creek	Kittitas	11,744	6,582	56%
Magee Creek	Stevens/Ferry	58,628	28031	48%
Matheson Rd Creek	Spokane	138	120	87%
Middle Rock Creek	Klickitat	48,529	24155	50%
Mill Creek/Clugston Creek	Stevens	49,796	26,392	53%
Olequa	Lewis	35,487	15,559	44%
Otter Creek	Pend Oreille	91,626	61,330	67%
Pataha Creek	Garfield	18,216	7,573	42%
Patit Creek	Columbia	26,499	15,890	60%
Pine Creek	Okanogan	26,856	15,139	56%
Pend Oreille/Deer Creek	Pend Oreille	30,211	17,666	58%
Quillisascut Creek	Stevens	23,784	12,494	53%
Stensgar Creek	Stevens	35,709	19,271	54%

WAU NAME	County	Total WAU Acres	Total Small Forest Landowner Forested Acres	Percent Small Forest Landowner Forest Land in WAU
Upper Long Lake	Spokane/Stevens	33,716	18,195	54%
Tanwax Creek	Pierce	23,794	15,955	67%
Thompson Creek	Spokane	29,780	15,348	52%
West Branch	Pend Oreille	65,157	33,092	51%
Tumalun Creek	Columbia/Garfield	10,244	3,538	38%
Yelm Creek	Thurston/Pierce	59,426	29,916	50%
Yacolt	Clark	54,997	30,232	55%

A total of 35 WAUs contain 50 percent or more acreage of small forest landowner ownership. Seven WAUs that were below the 50 percent threshold for small forest landowner acreage in 2016 are now above 50 percent. Those WAUs are highlighted in green on Table 6. Conversely, eight WAUs now have less than 50 percent of small forest landowner acreage after exceeding that figure in 2016. Those WAUs are highlighted in red.

3.4 Number of Small Forest Landowner Forest Practices Applications

RCW 76.13.110(5)(d) (Provide) estimates of the number of forest practices applications and notifications filed per year for forest road construction, silvicultural activities to enhance timber growth, timber harvest not associated with conversion to nonforest land uses, with estimates of the number of acres of nonindustrial forests and woodlands on which forest practices are conducted under those applications and notifications.



The following tables show the total number of Forest Practices Applications per calendar year (2017-2020), the total number of small forest landowner’s Forest Practices Applications per year (2017-2020), the percent of small forest landowner Forest Practices Applications versus the total number of Forest Practices Applications (2017-

2020), and the acres harvested by small forest landowners per year (2017-2020)⁴.

Table 7: Small Forest Landowner Forest Practices Applications Received from 2017-2020

a. FPAs Received: 2017

Area	Total Number of Applications	Total Number of Small Forest Landowner FPAs	Percent of FPAs from Small Forest Landowners
Western Washington	3,724	512	14%
Eastern Washington	1,035	331	32%
Total	4,759	843	18%

b. FPAs Received: 2018

Area	Total Number of Applications	Total Number of Small Forest Landowner FPAs	Percent of FPAs from Small Forest Landowners
Western Washington	3,998	539	13%
Eastern Washington	1,243	403	32%
Total	5,231	942	18%

c. FPAs Received: 2019

Area	Total Number of Applications	Total Number of Small Forest Landowner FPAs	Percent of FPAs from Small Forest Landowners
Western Washington	3,661	485	13%
Eastern Washington	1,045	332	32%
Total	4,706	817	17%

⁴ These numbers include new applications as well as renewal applications, hence these application totals are most likely higher than counting only new applications, and to what extent this difference in number may be is unknown.

d. FPAs Received: 2020 (as of September 2020)

Area	Total Number of Applications	Total Number of Small Forest Landowner FPAs	Percent of FPAs from Small Forest Landowners
Western Washington	3,232	776	24%
Eastern Washington	1,060	518	49%
Total	4,292	1,294	30%

As shown in Tables 7 a-d, FPA submissions by small forest landowners fluctuated from 2017 to 2020, with the lowest year of applications being in 2019 with 817 applications, and the highest year of applications being in 2020 with 1,294 applications. Small forest landowners submitted 3,896 FPAs from 2017 to 2020, approximately 20 percent of the 18,988 total FPAs submitted.

The number of small forest landowner FPAs submitted for the recent period decreased compared to those submitted from 2013 through 2016. From 2017 through 2020, small forest landowners submitted 3,896 FPAs. From 2013 through 2016, small forest landowners submitted 8,680 FPAs.

Table 8. Small Forest Landowner Acres Harvested from 2017 through 2020

DNR Region of Application	2017	2018	2019	2020	Total SFL Acres
Southeast	3,184	2,312	1,907	3,245	10,648
Northeast	26,703	23,294	29,898	38,417	118,312
Total Eastern WA	29,887	25,606	31,805	41,662	128,960
South Puget Sound	3,425	4,044	3,850	9,546	20,865
Olympic	2,016	1,453	776	912	5,157
Northwest	1,820	1,749	1,137	4,636	9,342

DNR Region of Application	2017	2018	2019	2020	Total SFL Acres
Pacific Cascade	5,155	5,460	3,716	7,689	22,020
Total Western WA	12,416	12,706	9,479	22,783	57,384
Total Statewide	42,303	38,312	41,284	64,445	186,344

Table 8 shows the acres harvested by small forest landowners from 2017 through 2020, which was a total of 206,344 acres.

Table 9. Total acres harvested from 2017 through 2020

DNR Region of Application	2017	2018	2019	2020	Total Acres
Southeast	20,992	20,020	17,277	14,531	72,821
Northeast	78,575	87,637	72,787	74,607	313,608
Total Eastern WA	99,567	107,657	90,064	89,138	386,429
South Puget Sound	33,226	31,093	30,284	42,424	137,027
Olympic	30,234	28,994	33,675	28,675	121,578
Northwest	21,278	20,597	24,590	19,327	85,792
Pacific Cascade	61,718	76,326	65,461	63,504	267,009
Total Western WA	146,456	157,010	174,010	153,930	611,406
Grand Total Statewide	246,023	264,667	244,077	243,068	997,835

Table 9 shows the total acres harvested from 2017 through September 2020, which was 997,835 acres. Of these, small forest landowners harvested 186,344 acres, approximately 19 percent of the total acres harvested during this period.

Table 10. Small Forest Landowner acres harvested from 2009 through 2016

DNR Region of Application	2009	2010	2011	2012	2013	2014	2015	2016	Total Acres
Southeast	6,604	5,632	6,126	4,636	5,048	7,317	2,397	1,924	39,684
Northeast	9,619	16,673	22,481	26,385	28,261	37,595	41,063	31,378	213,455
Total Eastern WA	16,223	22,305	28,607	31,021	33,309	44,912	43,460	33,302	253,139
South Puget Sound	3,702	2,780	7,765	3,764	9,055	6,879	5,043	5,909	44,897
Olympic	1,056	1,521	1,776	1,876	1,781	1,873	1,351	2,714	13,948
Northwest	2,599	2,372	5,594	4,040	4,884	3,822	2,987	2,554	28,852
Pacific Cascade	4,432	4,087	5,424	19,266	6,555	5,047	3,531	5,258	53,600
Total Western WA	11,789	10,760	20,559	28,946	22,275	17,621	12,912	16,435	141,297

Table 10 shows the acres that small forest landowners harvested from 2009 through 2016, which was a total of 394,436 acres.

Table 11. Total acres harvested from 2009 through 2016

DNR Region of Application	2009	2010	2011	2012	2013	2014	2015	2016	Total Acres
Southeast	19,307	19,955	16,185	24,941	19,105	21,559	12,983	18,675	152,709
Northeast	43,522	42,383	47,635	52,754	54,499	55,504	65,320	51,671	413,289
Total Eastern WA	62,829	62,338	63,820	77,695	73,604	77,063	78,303	70,346	565,998

DNR Region of Application	2009	2010	2011	2012	2013	2014	2015	2016	Total Acres
Olympic	18,318	15,578	15,378	19,700	26,000	22,273	17,460	23,602	158,308
South Puget Sound	15,944	22,046	19,708	18,221	27,861	23,126	25,822	24,300	177,028
Northwest	20,640	11,791	18,894	12,234	14,812	18,931	12,868	14,460	124,630
Pacific Cascade	40,094	61,324	43,960	73,140	68,722	41,560	36,940	41,590	407,329
Total Western WA	94,996	110,740	97,940	123,295	137,395	105,890	93,090	103,952	867,298
Grand Total Statewide	157,825	173,078	161,760	200,990	210,999	182,953	171,393	174,298	1,433,296

Table 11 shows the total acres harvested from 2009 through 2016, which was a total of 1,433,296 acres. Of these, small forest landowners harvested 394,436 acres, approximately 28 percent of the total acres harvested during this period.

From 2017 through 2020, the area of forest on which small forest landowners carried out timber harvest decreased by 9 percent compared to the 2009-16 period.

4. Summary of 2016 Recommendations and 2021 Status Update

RCW 76.13.110(5)(e) *Recommendations on ways the board and the legislature could provide more effective incentives to encourage continued management of nonindustrial forests and woodlands for forestry uses in ways that better protect salmon, other fish and wildlife, water quality, and other environmental values.*

The following information summarizes each recommendation made in the 2016 Demographic Report and a corresponding 2021 status update.

4.1 Update the 2007 Washington Forestland Database

Provide funding to update the 2007 Washington State Forestland Database. This recommendation is critical to provide pertinent information on small forest landowner demographics for the future legislative decisions and reports. Without this update, the status of small forestland and landowners will be unknown and future reports will not be able to provide any new information.

2021 Status Update

As previously stated, this Small Forest Landowner Demographic Report reflects the results from a report published by the school of environmental and forest sciences at the University of Washington called “[*Washington’s Small Forest Landowners in 2020 Status, Trends, and Recommendations After 20 Years of Forests and Fish*](#),” which was published on January 11, 2021. That report provided current pertinent information on small forest landowner demographics that was critical for producing this report, and DNR recommends that the database be updated every four years to support the Small Forest Landowner Demographic Report, which is also published every four years.



1. Forestry Riparian Easement Program

Forest Practices riparian buffer rules and unstable slope rules were updated and adopted in 2001, and the Forestry Riparian Easement Program (FREP) was created, in part, to address a disproportionate financial impact these rules had on small forest landowners ([RCW 76.13.120](#)). FREP compensates eligible small forest landowners for trees required to be retained in riparian areas to protect fish habitat and water quality, as well as for timber required to be retained on adjacent unstable slopes. In exchange for a

direct payment, willing landowners grant a 50-year conservation easement to the state. Landowners still own the property and retain full access, but cannot cut or remove the acquired timber during the easement period.

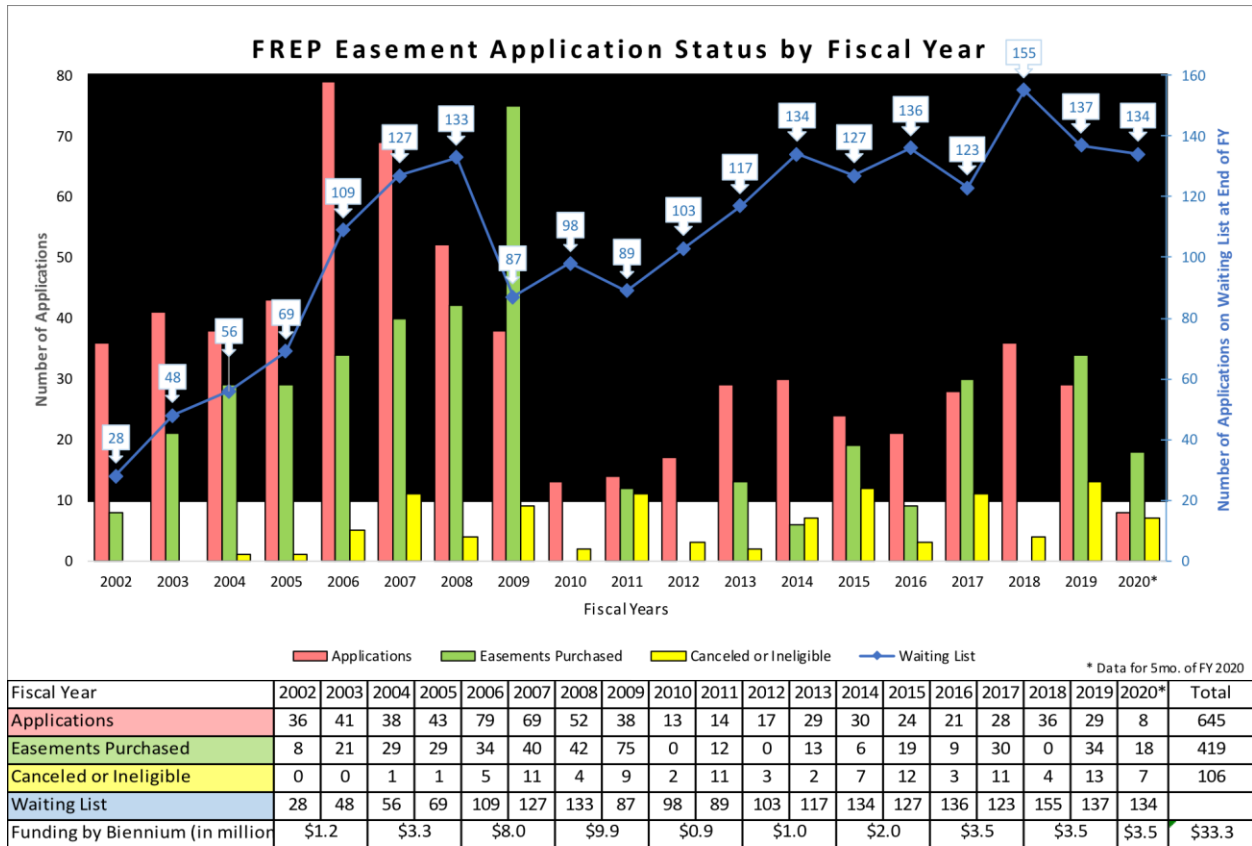
The most straightforward and direct way to keep forestland forested is to legally prevent the conversion of land in forestry or open space use from being converted to non-forestry uses with

the voluntary consent of the landowner. This is often done through the purchase of development rights, or conservation easements that specify what kinds of land use are legally allowed on a particular property. The FREP program retains small forest landowners on working forestlands and provides benefits to the citizens of Washington by: aiding in the restoration of threatened and endangered fish stocks; cleaning up and restoring Puget Sound; providing financial support for family forest landowners, which will help maintain their economic vitality, and reduce the risks of conversion of forestlands; and providing jobs related to the conservation easements and forestry consultants.

2021 Status Update:

- The number of FREP easements purchased from FY 2017 through FY 2020 was 82, which was almost double than the previous four years (47). This increase in numbers is mainly because the average per-easement purchase cost was lower, allowing DNR to purchase more easements with the allotted funding.
- The number of FREP applications received between the two reporting periods changed little. From FY 2017 through FY 2020, an average of 25 new FREP applications were received. In contrast, from FY 2013 through FY 2016, an average of 26 FREP applications were received.
- The number of landowners on the FREP waiting list is increasing, with the shortest waiting list of 85 landowners in FY 2011 and the longest waiting list of 157 landowners in FY 2018. The average time between when a landowner submits an FREP application and the landowner is compensated was about five years at the end of the current reporting period.
- Funding for the FREP program remained steady over the past several years. For the FY 2020-21 biennium, the FREP program received \$3.5 million. In FY 2018-19 and FY 2016-17, the program also received \$3.5 million. In the previous four years, FREP funding was \$2 million for the FY 2014-15 biennium and \$1 million for the FY 2012-13 biennium.

Table 12. Forestry Riparian Easements by Fiscal Year



4.2 Family Forest Fish Passage Program

Family Forest Fish Passage Project - Before



Family Forest Fish Passage Project - After



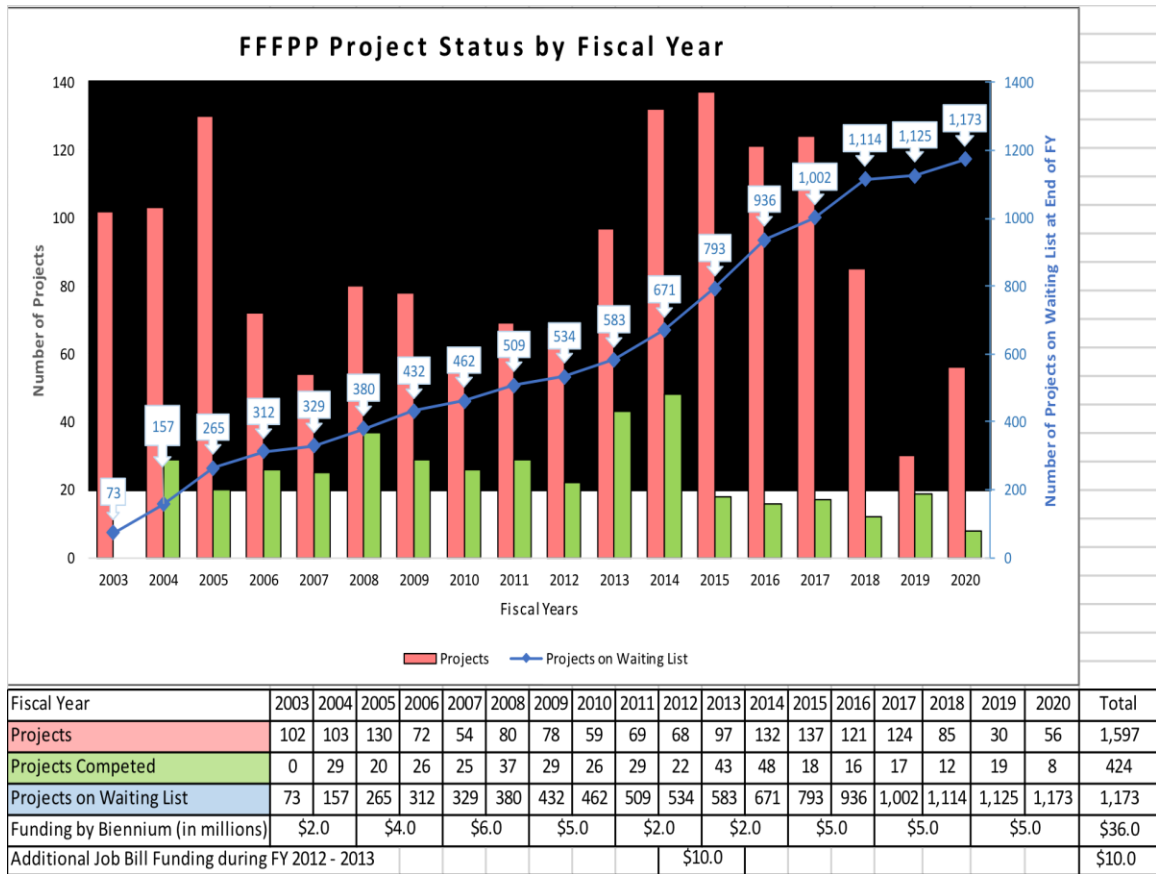
The Legislature intended for the Family Forest Fish Passage Program (FFFPP) to help alleviate the disproportionate financial impacts from forest practices laws and rules to family forest landowners. Forest Practices Rules ([RCW 76.13.150](#)) direct the state to provide financial assistance to family forest landowners to remove fish passage barriers. To accomplish this, the state created this cost-share program to provide funding for 75 to 100 percent of the costs to remove fish passage barriers and replace them with passable structures.

Providing additional funding for the Family Forest Fish Passage Program is an effective use of public funding because of the benefits of restoring habitat and improving conditions within forests and to support salmon recovery. This program is implemented through DNR, the Washington Department of Fish and Wildlife, and the Washington State Recreation and Conservation Office. The program works with and is supported by conservation districts, regional fisheries enhancement groups, tribes, and local fish-related nonprofit organizations, and it increases the landowner's infrastructure value.

2021 Status Update:

- Despite steady state funding levels (summarized below), the number of FFFPP projects completed from FY2018 through FY2020 was 56, markedly lower than the 125 that were completed during the prior four years. The higher number for the prior period was due to a one-time \$10 million influx of federal funding in the previous period.
- An average of 83 applications per year were received over the past 4 years (2017-2020). This was an increase compared to the previous four years (2013-2016), for which the average was 71 applications per year. This was most likely due to direct and effective outreach activities that occurred during this reporting period.
- Because the number of new qualifying projects exceeded the numbers of completed projects, the waiting list steadily increased over the period to a total of 1,125 landowners. This was an increase of 273 landowners (24 percent) compared to 2016.
- Funding for the FFFPP program remained steady. The Legislature appropriated \$5 million for the program in each of the last four biennial budgets.
- To correct all the barriers to fish passage identified on qualifying FFFPP applications on the waiting list is estimated to have a cumulative cost of more than \$100 million.

Table 13: Family Forest Fish Passage Program Accomplishments since 2003



Alternate Plan Interdisciplinary Team meeting

4.3 Alternate Plans

Alternate plans are intended to provide flexibility to landowners with a means to develop site-specific management plans for all timber activities regulated under state Forest Practices Rules.

In alternate plans, landowners develop management prescriptions that will achieve resource protection through alternative methods from those prescribed in the Forest Practices Rules. To be approved, alternate plans must provide protection for public resources at least equal in overall effectiveness to the protection provided by the Forest Practices Act and rules. Alternate plans are based on legislative language found in RCW 76.13.100, RCW 76.09.368, and RCW 76.09.370. The Small Forest Landowner Office provides assistance to small forest landowners for alternate plans and alternate harvest restrictions development and monitoring per RCW [76.13.110](#). The Fixed-Width RMZ for Type S and F Waters template and the Overstocked Stand templates are two alternate plans templates that landowners use frequently.

2021 Status Update:

In 2020, there were 83 (42 large forest landowner and 41 small forest landowner) alternate plan proposals processed and 73 of those approved as part of an FPA during the reporting period. The 73 approved FPAs represents 2.2 percent (73/3,310) of total approved FPAs during the reporting period. Two of the approved FPAs were small forest landowner long-term forest practices applications. Relative to 2016, there were 129 (38 large forest landowner and 91 small forest landowner) alternate plans approved during the reporting period. Three of the FPAs were small forest landowner long-term applications.

The DNR Forest Practices Policy Workgroup Committee is currently working on additional templates, and their recommendations will proceed to the Forest Practices Board.

4.4 Statewide Field Inventory of Fish Passage Barriers

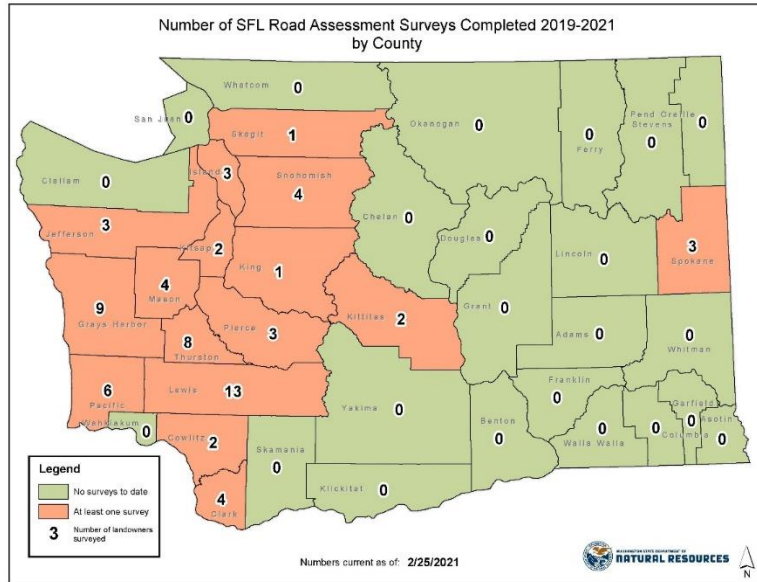
In partnership with the Washington Department of Fish and Wildlife, obtain additional funding to complete the statewide field inventory of fish passage barriers on small forest landowner forestland.

2021 Status Update:

In addition to providing adequate funding for FFFPP, the two greatest challenges for the FFFPP are filling data gaps in the fish passage barrier inventory information and informing landowners who would benefit from the program. DNR and cooperating partners continue to pursue funding for inventory-related work.

In coordination with the Washington State Department of Ecology and the Washington Farm Forestry Association (WFFA), DNR has developed a Road Assessment Project to gain sufficient data to determine the status of forest roads on the properties of small forest landowners. This effort gained support from DNR, Ecology, WFFA, and the Western Washington tribes to conduct on-site roads inventories when requested by small forest landowners. A process was developed in which DNR and Ecology will prepare a Clean Water Act milestone report on the status of SFL compliance with the Forest Practices Road Maintenance and Abandonment Plan Rules, which includes documenting the conditions of small forest landowner roads and identifies fish passage barriers.

To date, 140 landowners have volunteered to have their roads assessed, and SFLO staff have completed 74 small forest landowner road assessments in 13 counties. The SFLO plans to expand outreach to small forest landowner regarding this service. The road inventory data will provide information on the status of small forest landowner roads to include in a Clean Water Act milestone report.



Map 1. DNR Road Assessments by County as of February 25, 2021

5. 2021 Recommendations

The following recommendations were developed with due consideration and appreciation for the recommendations included in the University of Washington’s report titled “*Washington’s Small Forest Landowners in 2020 Status, Trends, and Recommendations After 20 Years of Forests and Fish.*” These recommendations were reviewed and agreed to by the Small Forest Landowner Office in partnership with the Small Forest Landowner Advisory Committee. The committee consists of seven members, made up of four small forest landowners and one representative each from the Washington State Department of Ecology, Washington Department of Fish and Wildlife (WDFW), and a tribal organization.

The recommendations fall into three broad categories:

1. Policies that support or incentivize forest retention and prevent the loss of private forestlands;
2. Additional resources and funding for regulatory assistance and stewardship programs;
3. Availability of current information about the small forest landowner population.

Detailed recommendations are as follows:

5.1 Policies that support or incentivize forest retention and prevent the loss of private forestlands

[DNR’s 2020 Forest Action Plan](#) identifies that forest conversion, or loss of forests, not only increases the costs and risks of fire suppression, but also results in loss of wildlife habitat, affects water quality, and reduces the forestland base that is necessary to support milling infrastructure and forest industry jobs. Forest fragmentation is primarily caused by parceling large expanses of contiguous forestland, transportation corridors, land development, and other land-use changes, such as converting a forest to an agricultural pasture. Reducing the risk of conversion and stemming the loss of forests is a complex and multi-faceted challenge requiring coordination and discussion with state and county planners, new partnerships, and the development of new incentive programs or land-use regulations to stem the loss of forests. The Forest Action Plan identifies several priority actions for forest conservation, with the most pressing being enhancing retention of working forestland held by small forest landowners.

The [DNR’s Plan for Climate Resiliency](#) also lists forest conversion as a negative risk to climate resiliency. As climate change increases the threats to forests and the complexity of forest management, these landowners will need increased technical support and resources. Forest management advice and other support could help these landowners manage their forests and reduce the risk of disturbance or conversion to non-forest uses. Furthermore, carbon markets, easement programs, tax incentives, and other incentive mechanisms may help to reduce the financial burden felt by some small forest landowners and thereby enhance their willingness and ability to retain forestland.

- A) Expand the Designated Forestland (DFL) taxation rules to ensure eligibility of forestlands that are valued and managed for a range of ownership objectives in**

addition to wood products, including forest health and wildfire resiliency, so that small forest landowners are eligible for favorable property taxation rates.

We recommend support for efforts to expand existing Designated Forestland (DFL) taxation rules to ensure eligibility of forest lands that are valued and managed for a range of ownership objectives in addition to wood products, including forest health and wildfire resiliency, so that more small forest landowners are eligible for favorable property taxation rates. Stakeholder feedback described in the UW Report indicates that DFL enrollment not only provides property tax relief to existing landowners *but also appears to have an additional positive effect in terms of forest retention*. DFL taxation rules could include best practices for land stewardship so that small forest landowners receive tax relief for engaging in those activities without the requirement to harvest.

B) Take a stronger leadership role in supporting the existing Transfer of Development Rights (TDR) marketplace and expand program to include other counties with high conversion rates.

This recommendation complements the previous one, focusing on a form of financial compensation for legally preventing conversion of forestland offered on a voluntary basis. From the UW Report: “The most straightforward and direct way to keep forest land forested is to legally prevent the conversion of land in forestry or open space use from being converted to non-forestry uses with the voluntary consent of the landowner.”

Generally, a landowner expects some form of compensation in exchange for legally giving up all or some of the “bundle of rights” they hold as a landowner. This recommendation focuses on direct financial compensation. A host of alternative approaches are available for legally preventing conversion via direct payment, including outright purchase of development rights or acquisition of conservation easements (perpetual or term) that specify what kinds of land uses are and are not allowed. The SFLO can take a leadership role, in consultation with the Small Forest Landowner Advisory Committee and the University of Washington, for considering the relevant sections of the UW Report and other information, and determine which alternative approach or approaches might be most effective. Included in that assessment should be the potential to use a competitive “reverse auction mechanism” for acquisition of conservation easements or development rights on properties of strategic significance for providing public benefits, as described in the UW Report.

Essential to any recommendation is that use of public funding for these purposes be done in a way that ensures that subject forest landowner properties offered by willing landowners are evaluated and ranked based on some defined mechanism that evaluates the ecosystem services contribution of each property within its specific setting on the landscape, as well as the relative likelihood of conversion. The SFLO should explore how this concept could best be developed and applied in practice.

5.2 Additional resources and funding for regulatory assistance and stewardship programs

Although the UW Report reported generally positive landowner survey comments and noted that the Small Forest Landowner Office (SFLO) has been performing quite well under limited funding and staffing provisions, it also concluded that the office needs additional resources in order to fulfill its legislatively mandated mission ([RCW 76.13.110](#)).

Due to constrained funding, the SFLO's current primary focus of assistance is implementing conservation easement programs, assisting with salmon recovery while administering cost-sharing for fish barrier corrections, and helping landowners understand and implement forest practices rules through achieving the landowner's specific objectives.

The UW Report and stakeholder groups have indicated that one prevailing desire of small forest landowners is education on forest health and regulation. Landowner surveys summarized in the UW Report showed small forest landowners who are interested in learning more about the care, management, or protection of their forestlands tend to also think the public benefits their forests provide are important and overwhelmingly want to keep their forest land forested. Assistance for small forest landowners who want to learn about the care, management, or protection of their lands enables owners who want to keep their lands forested into the future.

The Forest Action Plan also identifies more approaches to help prevent small forest landowner conversion by increasing the number of landowner assistance forest experts at DNR (particularly in Western Washington), conservation districts, and in the Cooperative Forestry Programs Section and the Washington State University Extension to provide on-the-ground support as well as management advice to non-industrial forest owners.

In addition, a stronger assessment of perceived challenges to "Ownership in the Future" (lack of a willing heir and development pressure) is associated with actual future (residential) conversion. Helping owners who feel challenged by lack of willing heirs and the ever-present pressure for development will help small forest landowners who want to keep their forest lands forested.

The outreach, education, and technical assistance that the SFLO is able to currently provide does not match demand, thereby creating a gap in landowners who would like assistance, and those that are able to receive it. Accordingly, there are likely missed opportunities to reach landowners who may consider converting their forestland, but who could be deterred if they were able to receive assistance, or felt they had the necessary tools at their disposal to properly care for or manage their property.

- A) Provide additional funding for the stewardship and regulatory assistance to ensure greater outreach and education to small forest landowners who want to learn about the care, management, or protection of their lands.**

As recommended in the UW Report, stable funding for additional “boots on the ground” regulatory assistance foresters is needed. All survey stakeholder groups specifically stated more stewardship foresters or foresters to support technical assistance would help. This direct assistance with landowners would increase their knowledge about their forests, helping them retain interest and thereby lessen the likelihood of decisions to convert their forest to another land use. As subject matter experts about forest practices regulations, SFLO staff would also provide important and necessary education and outreach within DNR’s broad landowner assistance program and with external partners.

B) Simultaneously support salmon recovery and small forest landowners by providing additional funding for the Family Forest Fish Passage Program (FFFPP);

Providing continued and additional funding for the Family Forest Fish Passage Program is an effective use of public funding because of the benefits of restoring access to fish habitat, including improving conditions on forestlands that support salmon recovery.

The UW Report found that the FFFPP is effective for correcting barriers to salmon and other fish, and is recognized as a valuable program by many small forest landowners. The FFFPP program works with and is supported by conservation districts, regional fisheries enhancement groups, tribes, and local fish-related nonprofit organizations, and it increases the value of the small forest landowners’ land.

In addition to the recommendation for additional funding for FFFPP, funding for the fish passage barrier inventory information will assist with salmon recovery and make strategic use of barrier correction funds that will follow from having a more complete knowledge of the locations of all of the barriers within a given watershed.

Funding appropriated for this program has not matched demand over time, and many small forest landowners cite this as a problem. The current list of 1,125 qualifying projects is estimated to cost more than \$100 million. DNR requested \$10.0 million of funding for the FY21-23 biennium, which was twice the level appropriated for the FY19-21 biennium.

C) Help retain land in forest and open space use and mitigate the perceived negative impacts of riparian regulations for affected small forest landowners by providing additional funding for the Forestry Riparian Easement Program (FREP).

The most straightforward and direct way to keep forestland forested is to legally prevent the conversion of land in forestry or open space use from being converted to non-forestry uses with the voluntary consent of the landowner. FREP conservation easements prevent conversion within the subject riparian areas for a minimum of 50 years. Retaining small forest landowners on working forestlands benefits the citizens of Washington by aiding in the restoration of threatened and endangered fish stocks; cleaning up and restoring Puget Sound; providing financial support for family forest landowners, which will help maintain their economic vitality, and reduce the risks of conversion of forest lands; and providing jobs related to the conservation easements and forestry consultants

Data from the UW Report supports continued and additional funding for FREP. The report stated that FREP will help retain land in forest and open space use as well as mitigate the perceived negative impacts of riparian regulations for some affected small forest landowners. This is a popular program among small forest landowners, but appropriated funding has not aligned with demand. DNR submitted a funding request of \$10.4 million for the 2021-23 biennium for the Forestry Riparian Easement Program (FREP) to purchase 118 50-year forest riparian conservation easements from small forest landowners. This would allow the purchase the entire backlog of current FREP applications.

5.3 Availability of current information about the small forest landowner population

Timely, reliable, and consistent information data about small forest landowners and their lands is important to many entities, and this SFLO report requires current demographic and socioeconomic data as the basis to understand key aspects of concern about the small forest landowner population. However, current data collection on SFLO demographics may not address some of the questions the legislature may ask in the future, particularly as it relates to equity in forestland ownership.

Stable financial support for ongoing data collection and research collaborations is needed to provide a continued source of policy-relevant SFLO data and research. We therefore recommend the Legislature provide funding to the University of Washington every four years to update the small forest landowner forestland database, conduct relevant surveys and collect other data as needed. Funding and work needs to be timed so that the results are available to facilitate the SFLO's work and timely completion of future iterations of this report every four years (next due on December 1, 2024).

DNR has also retained a contractor to conduct an equity analysis across our workforce, contracting and community engagement efforts to inform future equity strategies at the agency, including information collection and service delivery. Incorporation of recommendations resulting from this process will also serve to better address future landowner demographic questions.

6. Trends from 2007 to 2019

RCW 76.13.110(6) *By December 1, 2004, and every four years thereafter, the small forestland owner office shall provide to the board and the legislature an update of the report described in subsection (5) of this section, containing more recent information and describing:*

- (a) Trends in the items estimated under subsection (5)(a) through (d) of this section;*
- (b) Whether, how, and to what extent the forest practices act and rules contributed to those trends; and*
- (c) Whether, how, and to what extent: (i) The board and legislature implemented recommendations made in the previous report; and (ii) implementation of or failure to implement those recommendations affected those trends.*

6.1 Trends in Forest Landholding Acres and Number of Small Forest Landowners

The UW Report considered a “Small Forest Landowner” to be one who owns a 2-acre parcel (or larger) with at least 1 acre of forest and who owns in total a total of less than 2,500 acres in western Washington or less than 9,990 acres in eastern Washington. This relates to forest practices rules ([WAC 222-16-050\(3\)](#)) that apply to activities on contiguous ownerships of less than 2 acres in size.

The results of the University of Washington’s analysis were used to respond to a number of the specific response areas included in [RCW 76.13.110](#):

- Small forest landowners own approximately 2.88 million forested acres in Washington, about evenly split between the western and eastern portions of the state:
 - 1.46 million acres in western Washington, and
 - 1.42 million acres in eastern Washington.
- There are approximately 218,480 small forest landowners across Washington state, with approximately three times as many in western Washington:
 - 164,996 landowners in western Washington, and
 - 53,484 landowners in eastern Washington.
- There are approximately 161,805 individual parcels of 20 acres or less in size (collectively accounting for about 70 percent of the total acreage of all parcels), of which 60 percent had some level of “improvement” on them.⁵
- Small forest landowner properties make up a significant⁶ proportion of only about 4 percent of the forest in individual watersheds: 35 of 846 Watershed Administrative Units (WAUs).
- The number of small forest landowner Forest Practices Applications (FPAs) submitted annually in 2017-2020 ranged from a low of 817 in 2019 to a high of 1,294 in 2020. As a proportion of the total number of FPAs coming from *all* landowners, those from small forest landowners ranged from a low of 17 percent in 2019 to a high of 30 percent in 2020.

⁵ The data do not provide certainty regarding the types of improvements on various lands. It is highly likely that many of these improvements are not residence-related and include improvements such as roads, gates, and sheds.

⁶ For this analysis, 50 percent or greater is used to identify “significant” portions of total land area.

Demographic Trends from 2007 to 2019

- The total estimated forest area owned small forest landowners also declined from 2.99 million acres in 2007 to 2.88 million acres in 2019 (3.7 percent).⁷
- In 2019, forests owned by small forest landowners accounted for about 15 percent of the total forest area in Washington; this was a 1 percentage point decline since 2007.
- The number of small forest landowners increased from 201,000 in 2007 to 218,480 (+17,480 and 8.5 percent) in 2019. Numbers increased across all acreage size classes, with the largest increase observed in the 20-100 acre class (+9,700 acres).
- Between 2007 and 2019, small forest landowner forest acres in the three smallest size classes (<20 acres, 20-100 acres, 100-1,000 acres) declined by 117,000 acres, while that in the two largest size classes (1,000-5,000 acres, 5,000+ acres) increased by 13,500 acres.
- As a proportion of the total number of small forest landowners, those who owned 20 acres or less decreased from 77 percent in 2007 to 72 percent in 2019.
- In 2007, 71 percent of small forest landowner forest acres were in the forestry or natural land use classes, followed by residential (18 percent) and agriculture (10 percent). By 2019, small forest landowner forest acres in the forestry or natural land uses had declined by 121,500 acres (5.7 percent) while that categorized as residential had increased by 48,600 acres (9 percent).
- Parcels transitioned both out of and into the small forest landowner class. Between 2007 and 2019, approximately 450,000 acres (15 percent) left the small forest landowner class while 238,000 acres (8 percent of 2007 area) moved into small forest landownership.

6.2 Whether, how, and to what extent the Forest Practices Act and Rules contributed to those trends.

Based on the UW Report's stakeholder surveys, topics perceived as having the most important negative impacts on small forest landowners were property taxes, wildfire, and the development of nearby lands for residential purposes. *The perceived impacts of forest practices regulations had the lowest average negative impact on small forest landowner ownerships.*⁸

The relatively low perceived impact of forest practices regulations is likely related to the low importance given to financial ownership objectives held by the majority of small forest landowners. Those who do have financial objectives as their top priority did tend have a higher negative perception about the negative impacts of forest practices regulations. The UW Report reported that a minority of surveyed small forest landowners reported that forest practices regulations pertaining to riparian forest have had a negative impact on their forest ownership or their decisions about whether or not to retain their land as forest. The majority of small forest landowners (72 percent) can take advantage of the 20-acre parcel Forest Practices rule, which has less area and trees required for stream buffer protection. Hence, the

⁷ For context, the total area of forest in Washington State (all ownerships) is estimated to have declined by about 394,000 acres (2 percent) between 2007 and 2019 (UW Report).

⁸ We note, however, that the UW report stated that a substantial percentage of landowner survey respondents were unwilling or unable to answer the questions or said they "don't know," regarding the question on whether Forest Practices regulations were having a negative impact on their ownership.

data seems to show that negative perceptions about the impact of forest practices regulations (specifically, the riparian regulations) did not contribute significantly to those trends.

The UW Report survey results strongly suggests that many forestland sales are not necessarily planned. Family circumstances and financial needs top the list of reasons for having sold land in the past by small forest landowners who still own forestland. Combined with the results from the parcel database that forestland sales are a strong indicator of subsequent forestland conversion, *results indicate that personal and family financial needs can be triggering events for land sales that subsequently put small forestland at risk for development.* Therefore, we conclude that forest practices regulations by themselves have not been an important factor affecting the majority of small forest landowner decisions to sell forestland.

The survey results also showed that compared to small forest landowners with riparian forests on the west side of the state, small forest landowners with riparian forests in eastern Washington overwhelmingly tended to think that their forests were less relevant to fish habitat, had given less thought to the forest practices regulations, and did not necessarily think active management in buffers would be benign to riparian functions. Respondents who thought their lands were not relevant to fish habitat and that the regulations are not fairly applied to them tended to be (but not exclusively) small forest landowners in western Washington owning less than 200 forest acres.

6.3 Whether, how, and to what extent: (i) The Board and Legislature implemented recommendations made in the previous report; and (ii) implementation of or failure to implement those recommendations affected those trends.

The results of whether, how, and to what extent the Board and Legislature implemented recommendations made in the 2016 report are outlined in Section 4 of this report.

Whether, how, and to what extent implementation of or failure to implement those recommendations affected those trends

The recommendations from the 2016 Demographic Report were:

1. Provide funding to update the 2007 Washington State Forestland Database.
The Legislature provided funding to the University of Washington for this purpose, and this updated report was possible largely as a result of that decision.
2. Provide additional funding for the Forestry Riparian Easement Program.
Funding continued each biennium. After 2016, the funding level increased and remained steady at \$3.5 million per biennium. This funding level is insufficient to address an increasing backlog of qualified applications.
3. Provide additional funding for the Family Forest Fish Passage Program.

Funding continued each biennium. Following the 2016 report, funding remained constant at the \$5.0 million per biennium level (no increase). This funding level is insufficient to address an increasing backlog of qualified applications.

4. Create alternate plans that are intended to provide flexibility to landowners with a means to develop site-specific management plans for all timber activities regulated under state Forest Practices Rules.

DNR continued to implement existing forest practices rules for alternate plan FPAs submitted by forest landowners. The Forest Practices Board considered no formal recommendations for rule changes, but at the time of publication, active work was taking place within the forest practices Adaptive Management Program to evaluate proposals for potential broadening of alternate plan pathways.

The UW Report indicated that small forest landowners who are knowledgeable about alternate plans are among the small forest landowners who feel they have been most negatively impacted by the state's riparian regulations. However, only one in five such landowners from the survey reported a negative overall evaluation of their experience with alternate plans themselves.

We have recommended in this report the provision of additional funding for the SFLO to increase the level of regulatory technical assistance that can be provided to individual landowners through the SFLO. A key aspect of this is providing help with development of alternative plan FPAs. Without such an increase, the SFLO will continue to struggle to address requests for assistance coming from the clientele that the office was established to assist.

There is no indication that the lack of additional alternate plan "templates" available for use by small forest landowners contributed to negative trends such as forestland sales, but the relatively small numbers of alternate plan forest practices applications, coupled with survey responses, indicates that many small forest landowners would benefit from additional assistance in this area.

5. In partnership with WDFW, obtain additional funding to complete the statewide field inventory of fish passage barriers on small forest landowner forestland.

DNR and WDFW did not act to formally seek funding for this purpose in the time since the 2016 report.

Conclusion

This report was prepared in accordance with statutory direction that requires DNR to report every four years on small forest landowner demographics and trends. Availability of recently updated demographic data trends and landowner survey responses provided valuable insights that importantly informed the opportunities identified in this report.

Questions about the report or the small forest landowner office in general may be directly to Tamara Miketa (tamara.miketa@dnr.wa.gov).