

COASTAL CONSERVANCY

Staff Recommendation
September 22, 2011

WAVECREST ACQUISITION AND COASTAL TRAIL PLAN

Project No. 11-041-01
Project Manager: Janet Diehl

RECOMMENDED ACTION: Disbursement of up to \$2,650,000 to the Coastside Land Trust to acquire the 50-acre coastal parcel of the Wavecrest property in Half Moon Bay (San Mateo County), to plan and design the California Coastal Trail through the property, and to produce a conceptual design for extending the Coastal Trail south to Redondo Beach.

LOCATION: Half Moon Bay, San Mateo County

PROGRAM CATEGORY: Public Access

EXHIBITS

Exhibit 1: [Project Location and Site Maps](#)

Exhibit 2: [Site Photographs](#)

Exhibit 3: [Project Letters](#)

RESOLUTION AND FINDINGS:

Staff recommends that the State Coastal Conservancy adopt the following resolution pursuant to Sections 31400-31410 of the Public Resources Code:

“The State Coastal Conservancy hereby authorizes disbursement of an amount not to exceed two million five hundred thousand dollars (\$2,500,000) to the Coastside Land Trust (“CLT”) for the purpose of acquiring the Wavecrest Property (San Mateo County Assessor Parcel Number 065-011-010), consisting of approximately 50 acres, for habitat protection, open space protection and public access. The Conservancy further authorizes disbursement of an amount not to exceed one hundred fifty thousand dollars (\$150,000) to CLT to plan and design the California Coastal Trail through the Wavecrest property and to produce a conceptual design for the Coastal Trail on the properties to the south of Wavecrest to Redondo Beach Road. These authorizations are subject to the following conditions:

1. Prior to the disbursement of Conservancy funds for acquisition, CLT shall submit for the review and approval of the Executive Officer of the Conservancy (“the Executive Officer”):
 - a. All relevant acquisition documents, including, without limitation, the appraisal, purchase agreement, escrow instructions, environmental assessment, and title report.

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- b. Evidence that sufficient funds are available to complete the acquisition.
2. CLT shall pay no more than fair market value for the property, as approved by the Conservancy, based on an appraisal of the property.
3. CLT shall permanently dedicate the property for habitat preservation, open space protection and public access through an irrevocable offer to dedicate the property or other instrument approved by the Executive Officer.
4. Conservancy funding shall be acknowledged by erecting and maintaining a sign on the property or in a nearby public staging area, the design and location of which to be approved by the Executive Officer.
5. Prior to disbursement of funds for the conceptual design of the Coastal Trail, CLT shall submit for Executive Officer review and approval a work plan, schedule and budget, and the names and qualifications of any subcontractors.
6. CLT shall incorporate the guidelines of the Conservancy's 'Standards and Recommendations for Accessway Location and Development' into the planning and design criteria for the Coastal Trail segment on the property."

Staff further recommends that the Conservancy adopt the following findings:

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

1. The proposed project is consistent with the current Project Selection Criteria and Guidelines.
2. The proposed authorization is consistent with the purposes and objectives of Chapter 9 of Division 21(Sections 31400-31410) of the Public Resources Code, regarding the establishment of a system of public accessways to and along the California Coast.
3. The Coastside Land Trust is a nonprofit organization that qualifies under section 501(c)(3) of the United States Internal Revenue Service Code, and whose purposes are consistent with Division 21 of the Public Resources Code."

PROJECT SUMMARY:

The proposed project will provide a \$2,500,000 grant to the Coastside Land Trust (CLT) to purchase and preserve a 50-acre coastal portion of the Wavecrest property in Half Moon Bay (Exhibit 1). An additional grant of \$150,000 will enable CLT and its partners to plan and design the California Coastal Trail through the Wavecrest property, and produce a conceptual design for extending the Coastal Trail south to Redondo Beach.

Wavecrest provides recreational opportunities and wildlife habitat that are significant on both a state-wide and local level. Acquisition of the property will allow extension of a four-mile segment of the California Coastal Trail (CCT) that runs north of the property. The property is one of the most important habitat sites for wintering raptors in San Mateo County, and supports a greater number and diversity of raptors than any other site in the county. Permanent protection of the Wavecrest property has been a long-sought goal for CLT and many members of the Half Moon Bay community. The property's spectacular and easily accessible coastal bluffs have

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made it extremely attractive to developers (Exhibit 2). But these bluffs also provide ideal public recreation opportunities and regionally significant natural habitat. That is why the permanent protection of the Wavecrest property has become the goal of two land trusts – the Coastside Land Trust and the Peninsula Open Space Trust (POST).

In 2006, POST acted on an opportunity to protect the property from development and purchased 206 acres at Wavecrest for \$13.5 million. No public agency would have been able to act as quickly as POST to secure this property. While POST fronted the funds for acquisition of Wavecrest, the ultimate goal of the project was to transfer the land into permanent protective ownership and allow POST to recover much of the acquisition expense. POST has worked with CLT and other conservation organizations and agencies since then to develop a plan to guide the ultimate ownership of the property. The first phase of that plan will be to sell the 50-acre coastal portion of the property to CLT for \$2.5 million, a value established by an appraisal reviewed and approved by Conservancy staff.

By conveying the property to the Half Moon Bay-based CLT, POST will ensure that the property will be managed by an organization with an active volunteer stewardship program that can maintain trails and remove invasive species on the property. CLT has been working for several years to acquire vacant lots just south of the 50-acre property, and currently owns about 45 parcels in the immediate area, with an additional 25 parcels in negotiation.

The acquisition of this 50-acre parcel will be a logical next step for CLT, and will streamline land management on this section of the coast. The partnership between POST and CLT represents a strategic collaboration that is essential in these times when budget shortfalls limit the ability of public agencies to assume ownership of such properties. CLT aims to acquire the Wavecrest property by year's end.

Once CLT acquires the parcel, it will utilize the \$150,000 portion of the proposed Conservancy grant to plan and design an 1800-foot segment of the CCT on the property, in close coordination with its partners. While an informal dirt trail makes its way along Wavecrest's bluffs, it needs to be re-routed away from the eroding bluffs and improved to safely accommodate pedestrians, bicyclists, wheelchair-users and equestrians during the wet season as well as the dry. Because the cliffs are steep and sandy, the trail will run along the bluff top but will not provide access to the beach on this property. The trail segment will connect to the north with the City's Poplar Beach and Half Moon Bay State Beach. Working with POST, CLT will hire a consultant to conduct initial planning meetings, review existing conditions and trail alignments, identify necessary permits, prepare the environmental document for CEQA compliance, and complete trail construction design documents. The consultant also will develop a conceptual trail alignment for the area of undeveloped small lots stretching south between Wavecrest and Redondo Beach, where the developed Coastal Trail resumes.

Site Description: Directly on the beach about a mile southwest of downtown Half Moon Bay, the Wavecrest property lies about 20 miles south of San Francisco and 50 miles north of Santa Cruz. The 50-acre parcel that is the subject of this staff recommendation is a portion of a greater undeveloped area bounded by Highway 1 to the east, steep coastal bluffs to the west, Poplar Beach and Seymour Road to the north and Redondo Beach Road to the south. Located immediately north of Wavecrest is the county-owned, city-operated Poplar Beach/Bluff Top Coastal Park. Featuring a parking lot with a short trail to the beach, this park also includes a quarter-mile section of developed Coastal Trail that connects to the north to a paved four-mile

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section of the Coastal Trail running through the adjacent Half Moon Bay State Beach. To the south, the Poplar Beach section of the Coastal Trail provides a direct connection to the Wavecrest property.

Just east of the Poplar Beach Park lies the old Ocean Shore Railroad right-of-way. Extending almost a mile north from Wavecrest's northern boundary, this right-of-way is protected from development by a conservation easement held by the CLT. There is potential to develop this right-of-way as a multi-use trail.

East of the greater Wavecrest property across Highway One lies another property that is protected from development, the 862-acre Johnston Ranch. This ranch was acquired by POST between 1998 and 2001, and contains row crop farming on the majority of the flat coastal terrace land, as well as cattle grazing on portions of the uplands. The ranch contains potential future trail connections from nearby public parklands to the east. It surrounds a 20-acre in-holding (owned by the City of Half Moon Bay) that contains the historic Johnston House, operated as a museum by the Johnston House Foundation, Inc.

Residential developments are situated immediately northeast of the 50-acre Wavecrest property. Single-family homes within the Arleta Park subdivision face out onto the portion of the Wavecrest property that will be retained by POST. On the southern end of the greater Wavecrest property are the clustered homes and golfing greens of Ocean Colony and the Half Moon Bay Golf Links.

Directly to the south of the 50-acre Wavecrest property are many small undeveloped properties that are criss-crossed by informal dirt trails. These lots were laid out in the early 20th century, and marketed with the promise that the Ocean Shore Railroad would be built to connect San Francisco to Santa Cruz along the coastline. Although it was never completed, the railway led to the subdivision of many properties along its corridor. CLT has been working with the County and POST for several years to acquire vacant lots in this area.

Beyond those vacant properties, at Redondo Beach, the developed Coastal Trail resumes past the Ritz-Carlton Hotel and along the golf course, doubling as the cart path. Private property to the south of the golf course presents a short gap in the Coastal Trail. The trail then resumes at Cowell Ranch State Beach, where the four-mile Cowell-Purisima section of the Coastal Trail was recently completed.

Aside from its recreational value, Wavecrest provides habitat that is vital to the health of local coastal plant and animal species. The Bay Area Upland Habitat Goals Project rates the Wavecrest property as an "area essential to the Conservation Goals" of the Santa Cruz Mountains North region.

Wavecrest supports valuable habitat for raptors and is one of the most important sites for wintering short-eared owls in the state. Mature trees on the property provide ideal perching and roosting habitat for raptors, while the grasslands, wetlands and coastal scrub provide dense cover and support healthy populations of prey animals such as voles and other small rodents. Wetlands on the property may provide suitable habitat for threatened and endangered species, including the California red-legged frog and the San Francisco garter snake. The site's usefulness as wildlife habitat is enhanced by its proximity to other open spaces and protected lands.

Project History: The open meadows and wind-swept coastal bluffs of Wavecrest have been the subject of intense development pressure for decades. Proposals ranging from golf courses, hotels

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and hundreds of homes have been proposed by various owners, but have elicited community protest. In 2007, the landowners determined that selling the property for conservation was their best option. They approached POST about purchasing the property, and in 2008, POST bought 206 acres of Wavecrest for a total of \$13.5 million. POST has been working since then to transfer portions of the property to an agency or nonprofit organization for permanent protection and recover its acquisition costs.

Because CLT and POST had been working cooperatively on the protection of the small lots just to the south of Wavecrest, CLT became an obvious partner for the transfer of the coastal portion of the Wavecrest property. CLT agreed to purchase the parcel at its appraised value of \$2.5 million, contingent on obtaining a grant from the Conservancy.

POST is also working with the City of Half Moon Bay and the County of San Mateo on a three-way exchange in which POST will acquire the County's open space lots just to the south of Wavecrest, the City will acquire the ball fields that are on POST's larger Wavecrest property, and the County will acquire a vacant lot from the City of Half Moon Bay in the downtown area for expansion of a facility for senior citizens. The exchange has been approved by all three parties, and the properties should change hands by the end of the year. Once the exchange is completed, POST will work with its partner agencies and organizations to determine acquisition funding and long-term management strategies for the entire Wavecrest area in conservation ownership.

Both CLT and POST have successfully completed many projects with support from the Conservancy. Most recently, the Conservancy authorized CLT to accept ownership of two parcels of Conservancy-owned land adjacent to Purisima Creek, just south of Wavecrest. The Conservancy also conveyed funds for CLT to construct, operate and maintain public access improvements on these parcels.

PROJECT FINANCING

Coastal Conservancy	\$2,650,000.00
Peninsula Open Space Trust	<u>11,000,000.00</u>
Total Project Costs	\$13,650,000.00

The anticipated sources of funds for this project include:

- \$1,650,000 from the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Act of 2002, Public Resources Code section 5096.600 *et seq.* ("Proposition 40"), which can be used for acquisition and protection of land and water resources consistent with Chapter 9 of Division 21 of the Public Resources Code.
- \$1,000,000 from the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006, Public Resources Code section 75001 *et seq.* ("Proposition 84") for state-wide acquisitions, which can be used for the acquisition and protection of land and water resources consistent with Chapter 9 of Division 21 of the Public Resources Code.

Consistent with Proposition 84 requirements, in evaluating proposed projects that involve

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acquisition for the purpose of natural resource protection, Conservancy staff gave priority to this project because it demonstrates the following characteristics: (1) The property is adjacent to existing city and state parks and will provide a link ensuring habitat, open space, scenic and recreation connections on the San Mateo County coast (see Public Resources Code Section 75071(a)); and (2) The project funding includes a non-state matching contribution toward the acquisition costs (see Public Resources Code Section 75071(e)).

The Peninsula Open Space Trust spent \$13,500,000 to purchase the property surrounding this parcel in 2008. After selling a portion of the property to the Coastside Land Trust for \$2,500,000, POST will be left with an \$11,000,000 investment in the property that can be considered a match. The Coastside Land Trust will provide maintenance and management services for the property once acquired. The value of these services also can be considered a match.

As required by Section 75071(f), Conservancy staff has submitted to the Natural Resources Agency and has posted on the Conservancy's website an explanation as to how the proposed acquisition meets the criteria for Proposition 84 funding.

CONSISTENCY WITH CONSERVANCY'S ENABLING LEGISLATION:

The proposed project will be undertaken pursuant to Chapter 9 of Division 21 of the Public Resources Code (Sections 31400-31410), regarding public access and enjoyment of coastal resources. Section 31400 states that the Conservancy shall have a principal role in the implementation of a system of public accessways to and along the state's coastline. Consistent with this section, CLT's acquisition of the coastal portion of the Wavecrest property and development of plans for constructing the Coastal Trail will help to fill a gap in the trail in this area.

Section 31400.1 allows the Conservancy to award grants to a nonprofit organization for acquisition and development of lands for public access purposes to and along the coast. Surveys conducted by the San Mateo County Department of Parks and Recreation have shown that more than 1.5 million people visit the beaches and trails of the mid-coast area annually, coming from throughout the San Francisco Bay Area and the state. The proposed grant is consistent with this section because it would enable a large number of visitors to the area to access this property.

Section 31400.2 allows the Conservancy to provide up to the total cost of an acquisition and the initial development of public accessways by a nonprofit organization. Consistent with this section, Conservancy staff has considered a number of factors in determining the amount of funding for the proposed project. The proposed level of funding was evaluated relative to the total amount of funding available to the Conservancy for coastal public accessway projects, and the very limited fiscal resources of the applicant. The proposed grant is consistent with this section because a significant match to Conservancy funds would be provided by POST, and the amount of proposed Conservancy funding is appropriate relative to the total amount of funding available to the Conservancy for coastal public accessway projects.

Section 31400.3 states that the Conservancy may assist nonprofit organizations in developing and implementing a system of public accessways to and along the state's coastline. The proposed project will further these goals by designing a link of the California Coastal Trail.

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Consistent with Section 31401, which provides for the Conservancy's development of standards for developing public access to coastal resources, the proposed grant is conditioned upon the grantee incorporating the Conservancy's access standards in its Coastal Trail planning process.

CONSISTENCY WITH CONSERVANCY'S STANDARDS AND RECOMMENDATIONS FOR ACCESSWAY LOCATION:

The proposed segment of the Coastal Trail to be developed on the Wavecrest property will be designed in accordance with the Conservancy's "Standards and Recommendations" in the following respects:

- **Standard No. 1: Protect the Public and Coastal Resources.** Trails developed on the property will minimize the alteration of natural landforms, be subordinate to the setting's character, and be designed to protect sensitive habitats.
- **Standard No. 2: Correct Hazards.** The Coastal Trail on Wavecrest will be aligned well inland from the bluff edge, which will serve to correct the current hazard posed by erosion.
- **Standard No. 8: Trails.** The conceptual trail design will identify a connection to adjacent city park land and include amenities such as benches, trash receptacles, and signs.
- **Standard No. 13: Barrier-Free Access.** The Coastal Trail on Wavecrest will be designed to be accessible to all users.

In order to ensure that the design of the accessways conform to these standards, CLT shall be required to incorporate the Conservancy guidelines into the planning process as a condition of the proposed grant.

CONSISTENCY WITH CONSERVANCY'S 2007 STRATEGIC PLAN GOAL(S) & OBJECTIVE(S):

Consistent with **Goal 1, Objective C** of the Conservancy's 2007 Strategic Plan, the proposed project will result in the completion of design plans for the construction of a one third of a mile of Coastal Trail on the Wavecrest property, as well as a conceptual design to continue the Trail on adjacent property a half-mile south, to link to the existing Trail.

Consistent with **Goal 1, Objective G**, the proposed project will result in the acquisition and permanent protection by a nonprofit organization of a 50-acre coastal parcel to facilitate the development of the Coastal Trail.

Consistent with **Goal 4, Objective A**, the proposed project will result in the permanent protection of 50 acres of significant coastal resource property.

CONSISTENCY WITH CONSERVANCY'S PROJECT SELECTION CRITERIA & GUIDELINES:

The proposed project is consistent with the Conservancy's Project Selection Criteria and Guidelines, last updated on June 4, 2009, in the following respects:

Required Criteria

1. **Promotion of the Conservancy's statutory programs and purposes:** See the "Consistency with Conservancy's Enabling Legislation" section above.
2. **Consistency with purposes of the funding source:** See the "Project Financing" section above.
3. **Support of the public:** The project has broad public support. Letters from U.S. Representative Jackie Speier, State Senator Leland Yee, Assemblymember Jerry Hill, San Mateo County Supervisor Don Horsley and City of Half Moon Bay Mayor Naomi Partridge are attached to this recommendation as Exhibit 3.
4. **Location:** The proposed project would be located within the coastal zone of the City of Half Moon Bay.
5. **Need:** Without funding from the Conservancy, CLT would not be able to acquire and permanently protect this property. The opportunity to provide local, long-term management and to formalize this key section of the Coastal Trail would be lost.
6. **Greater-than-local interest:** Acquisition of this property would provide recreational opportunities to people throughout the state who visit the adjacent city and state parks. It would also result in permanent protection of habitat that is significant on a regional level.
7. **Sea level rise vulnerability:** Permanent protection of this property will ensure that the uses associated with the property are designed to minimize vulnerabilities associated with sea level rise. The Coastal Trail will be designed to minimize risk to coastal bluff erosion. A range of sea level rise scenarios for the years 2050 and 2100 will be considered in order to assess project vulnerability and, to the extent feasible, reduce expected risks and increase resiliency to sea level rise. The inland portion of the property provides ample room for future realignment as needed to protect against potential flooding, erosion, or other vulnerabilities as a result of sea level rise.

Additional Criteria

8. **Resolution of more than one issue:** This project will offer opportunities to fill a gap in the Coastal Trail while preserving significant habitat. It will eliminate threats of development on a property that has been the subject of many development proposals over the years.
9. **Leverage:** Conservancy funds will be matched six to one with a local funding source. See the "Project Financing" section above.
10. **Conflict resolution:** Acquisition of this property by a nonprofit land trust will resolve decades of local dispute about development proposals put forth by former owners.
11. **Readiness:** If the Conservancy approves the proposed grant, CLT will be ready to close the acquisition by year-end.
12. **Realization of prior Conservancy goals:** Acquisition of this property and the development of plans for the Coastal Trail on this property and the land immediately to the south will help to meet the Conservancy's state-wide goal of filling the gaps in the California Coastal Trail.
13. **Cooperation:** This project is the result of cooperation among the private sector, local agencies and the Conservancy. POST has acquired the property and has enlisted private

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support to cover its initial acquisition and management expenses. CLT will develop plans for the Coastal Trail and will manage it, with support from the Conservancy for the acquisition. San Mateo County and the City of Half Moon Bay are cooperating with POST and CLT regarding recreation lands in the larger Wavecrest area.

14. **Vulnerability from climate change impacts other than sea level rise:** Protection in perpetuity of this property will improve landscape-scale connectivity, increasing suitable habitat that can provide resilience to future alterations associated with climate change.
15. **Minimization of greenhouse gas emissions:** The proposed acquisition and trail design project will not result in the production of greenhouse gas emissions. Because CLT is located in Half Moon Bay near the property, its staff will not have to travel far to manage and maintain the property. This will result in fewer miles traveled than the current situation, where POST staff has to travel 50 miles round trip to and from Palo Alto to inspect or maintain the property.

CONSISTENCY WITH LOCAL COASTAL PROGRAM POLICIES:

The proposed project is consistent with the City of Half Moon Bay's Local Coastal Program (LCP), specifically with Policy 3.3, which calls for the protection of sensitive habitats, and with Policy 9.3.6, which specifically addresses the Wavecrest area, and identifies provision of public access to the coast as a goal of the LCP. An "Access Improvements" Map included in the LCP depicts that the Coastal Trail "should be extended" across the Wavecrest property.

The proposed project also is consistent with the San Mateo County 2001 Trails Plan, which identifies the California Coastal Trail as a Regional Trail route to connect numerous state and county parks and beaches along the coast.

COMPLIANCE WITH CEQA:

The proposed acquisition of the Wavecrest property is categorically exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to 14 Cal. Code of Regulations Section 15316 as a transfer of land in order to establish a park and Section 15325 as a transfer of ownership of interests in land in order to preserve open space and existing natural conditions, including habitat.

The planning and design activities included in the proposed action are statutorily exempt from CEQA pursuant to Section 15262, which states that "A project involving only feasibility or planning studies for possible future actions which the agency, board or commission has not approved, adopted or funded does not require preparation of an EIR or Negative Declaration but does require consideration of environmental factors." As required by this Section, CLT will take into account environmental factors in the planning and design of the Coastal Trail segment. This project does not include the funding of any construction activities.

Upon approval, staff will file a Notice of Exemption for the proposed project.