

COASTAL CONSERVANCY

Staff Recommendation

May 29, 2014

LOMA MAR ACQUISITION

Project No. 14-023-01

Project Manager: Deborah Hirst

RECOMMENDED ACTION: Authorization to disburse up to \$500,000 to San Mateo County Department of Parks to acquire the 174-acre Loma Mar property adjacent to Memorial County Park in the County of San Mateo.

LOCATION: Loma Mar is approximately 10 miles inland from the ocean on Pescadero Creek Road, adjacent to Memorial County Park in the Santa Cruz Mountains in the County of San Mateo

PROGRAM CATEGORY: San Francisco Bay Area Conservancy

EXHIBITS

Exhibit 1: [Project Location Maps](#)

Exhibit 2: [Loma Mar Site Photographs](#)

Exhibit 3: [Conservation Lands Network Report](#)

Exhibit 4: [Project Letters](#)

RESOLUTION AND FINDINGS:

Staff recommends that the State Coastal Conservancy adopt the following resolution pursuant to Sections 31160-31165 of the Public Resources Code:

“The State Coastal Conservancy hereby authorizes disbursement of an amount not to exceed five hundred thousand dollars (\$500,000) to San Mateo County Department of Parks (“SMCDP”) to acquire the 174-acre Loma Mar property (Assessor Parcel Numbers 084-101-010; 084-101-120; 084-102-010; 084-102-020; 084-102-030; 184-102-040) in the County of San Mateo, subject to the following conditions:

1. Prior to the disbursement of any Conservancy funds for acquisition, SMCDP shall submit for review and approval of the Executive Officer of the Conservancy (“Executive Officer”):
 - a. All relevant acquisition documents, including but not limited to the appraisal, escrow instructions, title reports and documents of title necessary to the purchase of the Loma Mar property.

- b. A signing plan acknowledging Conservancy funding, to be sited on or near the property in a location that is open to the public.
2. SMCDP shall pay no more than fair market value for the properties acquired, as established in an appraisal approved by the Executive Officer.
3. SMCDP shall permanently dedicate the property for the purposes of open space, wildlife and habitat preservation and, to the extent compatible with the other purposes, for public access and passive recreation, by recording an offer to dedicate or other instrument acceptable to the Executive Officer.
4. Within a reasonable time following acquisition of the properties, SMCDP shall prepare a management plan consistent with the purposes for which the parcels are being acquired.”

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 authorization is consistent with the purposes and objectives of the San Francisco Bay Conservancy Program, Chapter 4.5 of Division 21 of the Public Resources Code Sections 31162 and 31163 regarding the protection of natural habitats and resources of regional importance within the San Francisco Bay Area.
2. The proposed authorization is consistent with the Project Selection Criteria and Guidelines last updated by the Conservancy on November 10, 2011.”

PROJECT SUMMARY:

Staff is recommending that the Conservancy grant up to \$500,000 to San Mateo County Department of Parks (SMCDP) to acquire the 174-acre Loma Mar property adjacent to Memorial County Park in the County of San Mateo. The property consists of six parcels (see Exhibit 1) that were purchased by the San Mateo County Office of Education (SMCOE) in 1976. SMCOE had anticipated that the property would be developed as an outdoor education facility; however lack of full funding and concerns about potential impacts to the Pescadero Creek water supply prevented construction. SMCOE is moving to sell the Loma Mar property in order to fund a long-term lease for outdoor educational facilities at the San Francisco YMCA Jones Gulch Camp near Loma Mar or at an alternate long-term location. SMCOE is required to use all proceeds of the sale of the property to provide outdoor education opportunities to residents of San Mateo County.

SMCDP is highly motivated to acquire the property for conservation of open space and recreational purposes before the property is offered on the public market. If the proposed acquisition by SMCPD cannot be completed, SMCOE may move to place the property on the public market pursuant to the state Surplus Property Act (see detailed discussion under “Project History”, below). SMCPD has negotiated with SMCOE a purchase price of \$3.9 million for the property.

The Loma Mar property is regionally significant due to its location adjacent to Memorial County Park and the network of 8,000 acres of protected County parkland in this area of unincorporated San Mateo County. The property has compelling natural resource values, including second growth Douglas fir and redwood forest habitat and an intermittent stream that supports steelhead trout in Pescadero Creek. A significant portion of the property was identified as “Essential to the Conservation Goals” for the Bay Area Open Space Council Conservation Lands Network/Upland Habitat Goals project due to these natural resources (See Exhibit 3). Pescadero Road is a designated scenic corridor of the San Mateo General Plan (1985) and the views and recreational experience of the road are features of the southern edge of the Loma Mar property. The land has potential for connectivity with regional trail corridors and through use of existing logging roads. The San Mateo County Trails Plan (2001) identifies this area as a proposed trail corridor connecting from Memorial County Park down to the ocean at Pescadero State Beach. There is a need for campground and public access improvements in this area of San Mateo County and the Loma Mar property would be an excellent area for environmental education and recreation, as was originally envisioned by the SMCOE.

The proposed project was brought to the Conservancy through the Priority Conservation Area Grant Program (PCA Grant Program), and is being recommended for Conservancy funding through this program. On its March 27, 2014 meeting, the Conservancy approved the PCA Grant Program and authorized the Conservancy staff to include thirteen projects in the program. As described in the March 27, 2014 staff recommendation, the PCA Grant Program is a pilot program initiated by Metropolitan Transportation Commission (MTC) with \$10 million in federal transportation funding for the Bay Area (\$5 million for the North Bay and \$5 million for the East Bay, South Bay and Peninsula) and \$2.5 million of Conservancy funds for the East Bay, South Bay and Peninsula. Based on goals from Plan Bay Area, the long-range housing and transportation plan for the 9-county region, and 2008 Senate Bill 375’s requirements for a San Francisco Bay Area Sustainable Communities Strategy, Conservancy, MTC, and Association of Bay Area Governments (ABAG) staff selected thirteen projects from a total of sixteen submitted for consideration for potential funding through the PCA Grant Program in the East Bay, South Bay and Peninsula. Of the thirteen projects selected, five projects are being recommended for Conservancy funding with state bond dollars, seven projects are being recommended for federal funding through the MTC, and one project is being recommended for partial funding from both SCC and MTC. The projects have been selected to function as a package implementing the goals of the Conservancy, MTC, and ABAG, with a mix of public access and trail improvements, open space and agricultural land protection, and natural resource enhancement.

The Conservancy has supported projects working with SMCDP and its partners in San Mateo County for acquisition, habitat enhancement, California Coastal Trail, San Francisco Bay Trail and Bay Area Ridge Trail and other public access improvements at locations including Pedro Point, Mindogo Hill, Devil’s Slide Coastal Trail, Crystal Springs Regional Trail, El Corte de Madera Staging Area and the Oyster Point Marina Boat Ramp in San Mateo County. SMCDP is working with Peninsula Open Space Trust to raise the majority of funds for the proposed project, and will be prepared to successfully close escrow in June 2014 should the Conservancy authorize the remaining funds needed for the acquisition of the Loma Mar property.

Site Description: Loma Mar is located roughly ten miles inland from Highway 1 on Pescadero Creek Road in the Santa Cruz Mountains of unincorporated San Mateo County. The community has a population of fewer than one hundred people and is recognized by landmarks including the Loma Mar Post Office and Fire Station and the Loma Mar General Store on Pescadero Creek Road. The area is characterized by rolling hillsides of second growth Douglas fir and redwoods, the meandering of Pescadero Creek and the scenic corridor of Pescadero Creek Road leading down to the coast near the town of Pescadero. Apart from remnants of a former fruit orchard, the 173.6-acre Loma Mar property is undeveloped forest land (Exhibit 2). The majority of the property lies in four parcels north of Pescadero Creek Road (166.7 acres) and the remainder of the property consists of two parcels that lie between the road and Pescadero Creek (6.9 acres).

At a range of 160 to 600 feet above mean sea level, the property which SMCDP seeks to acquire is generally level with a gradual slope uphill to the north and west. A 20-acre meadow runs along Pescadero Creek Road and an intermittent stream called Dunfield Creek drains from the northern portion of the property down to Pescadero Creek. Though no biological survey has been yet completed, the Conservation Lands Network report for the area suggests the property offers good habitat for a number of species including California red-legged frogs, California giant salamander, American badger, black bear, black-tailed deer, bobcat, brush rabbit, California pocket mouse, dusky-footed woodrat, mountain lion, pallid bat, red tree vole, ringtail and western gray squirrel (See Exhibit 3). Steelhead trout are resident in Pescadero Creek which borders the property, and the marbled murrelet are known to exist in San Mateo County's Memorial County Park which is adjacent to the Loma Mar property to the east and north. Memorial County Park has old growth redwoods, habitat for marbled murrelet, and the Loma Mar property has second growth redwood and Douglas fir habitat. The most recent timber harvest known to have occurred on the Loma Mar property was done in the mid to late 1980s in the northern area of the property, and the current timber value of the property appraised at more than \$500,000. A network of timber haul roads still exists on the Loma Mar property.

Project History: From 1973 to 1976 SMCOE raised \$1.57 million in revenue from a four-cent property tax levy on San Mateo County residents to support the acquisition and construction of an Outdoor Education Center. SMCOE acquired the Loma Mar property for \$290,000 using a portion of these funds in 1976.

Due to controversy over potential impacts to the Pescadero Creek watershed and lack of full funding, among other reasons, SMCOE did not pursue construction of an outdoor education center on the Loma Mar property, recently estimated at over \$20 million. The need for such an education center has been met by the SMCOE by contracting with the San Francisco YMCA for use of facilities at Jones Gulch Camp on Pescadero Creek Road near Loma Mar and La Honda. Current concern with the need to negotiate a long-term lease for use of the YMCA facilities or to identify an alternative location for use by SMCOE has led to the process of selling the Loma Mar property. At the recommendation of a Citizen's Advisory Committee, the Board of the Office of Education voted to declare the Loma Mar property a surplus asset on October 16, 2013. Proceeds from the sale plus use of the remaining revenue from the 1970s tax level will be used by SMCOE to secure a long-term solution for providing a space to conduct outdoor educational activities for the County.

California State Education Code Section 54220 provisions require San Mateo County Office of Education to offer the land first to any park and recreation districts, then to any regional park authorities, and subsequently to the county where the property is located. If there is no sale resulting from this process, the SMCOE could then offer the property for sale to the general public through a public bidding process. SMCOE is legally required to use proceeds of the sale of the property for outdoor education. In November 2013, SMCOE adopted a resolution that formally offered the property for sale to San Mateo County Parks, Midpeninsula Regional Open Space District (MROSD) and the La Honda-Pescadero Unified School District. MROSD supports the acquisition of the property by SMCPD and the school district has not expressed interest in acquiring the property.

The Peninsula Open Space District (POST) has been working to raise private funds to match the proposed funds from the Conservancy under the PCA Grant Program. POST will provide \$3.4 million for the acquisition of the Loma Mar property with funds raised from individual donors, private foundations, and POST's Revolving Land Fund. SMCDP and SMCOE have been in negotiations and anticipate close of escrow in June 2014, should the proposed project be approved.

As noted above, this acquisition came to Conservancy staff attention through the PCA Grant Program. The March 27, 2013 staff recommendation presented two acquisitions that were slated to receive \$500,000 in MTC federal funding through the PCA Grant Program, the Loma Mar Acquisition and the Breuner Marsh Acquisition. It also recommended that Breuner Marsh receive \$500,000 in Conservancy funds under the PCA Grant Program (for a total of \$1 million from the PCA Grant Program). However, rather than provide \$500,000 each to Loma Mar and Breuner Marsh, MTC will now provide \$1 million for the Breuner Marsh Acquisition. In place of the originally anticipated contributions, Conservancy staff is now recommending \$500,000 in Conservancy funds under the PCA Grant Program be used to contribute to the Loma Mar Acquisition. This change will enable the Loma Mar Acquisition to take place with state bond funds, and meet federal funding requirements with the Breuner Marsh Acquisition.

The project has strong support from community partners and elected representatives including Assemblyman Richard Gordon and Midpeninsula Regional Open Space District. Project letters are attached as Exhibit 4.

PROJECT FINANCING

Coastal Conservancy	\$500,000
Peninsula Open Space Trust	\$3,400,000
Project Total	\$3,900,000

The anticipated source of Conservancy funds is the FY2008 appropriation of "Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006" (Proposition 84). This funding source may be used for the protection of coastal

watersheds, including projects to prevent degradation of coastal watersheds, projects to protect the natural habitat values of coastal lands, and projects and expenditures to promote access to and enjoyment of the coastal resources of the state, pursuant to the Conservancy's enabling legislation, Division 21 of the Public Resources Code. The proposed project protects lands that drain to Pescadero Creek, a coastal draining waterway, and the natural resources on that land, including the redwood forests, the natural habitat and the endangered and threatened species which inhabit or may use that habitat. In addition, as discussed below, the project is consistent with Chapter 4.5 of Division 21.

Proposition 84 also requires that for acquisition projects that protect natural resources, the Conservancy give priority to projects that meet at least one of the criteria specified in Public Resources Code Section 75071(a)-(e). The proposed acquisition satisfies three of the specified criteria:

- (a) The project will protect 174 acres of landscape and habitat that provide linkages to the adjacent Memorial County Park in the Santa Cruz Mountains. The project will connect these properties in sustainable combined acreage within a network of 8,000 acres of County-protected habitat;
- (b) The project will contribute to long-term protection of and improvement to the water and biological quality of Pescadero Creek as well as the terrestrial resources of Pescadero watershed;
- (e) The project is supported by \$3.4 in matching funds toward the acquisition costs of \$3.9 million.

Finally, as required by Section 75701, Conservancy staff has submitted to the Resources Agency and has posted on the Conservancy's website an explanation as to how the proposed acquisition meets the criteria of that section.

As discussed above, POST is providing the bulk of the funding for the acquisition - almost 90% of the acquisition costs. POST is using funds raised from individual donors and private foundation and derived from POST's Revolving Land Fund.

CONSISTENCY WITH CONSERVANCY'S ENABLING LEGISLATION:

The proposed project is consistent with Chapter 4.5 of Division 21, Sections 31160-31165 of the Public Resources Code regarding San Francisco Bay Area projects. The project is located in the County of San Mateo, one of the nine San Francisco Bay Area counties as required by Section 31162.

Under Section 31162(a), the Conservancy may award grants that will "improve public access to, within, and around the bay, coast, ridgetops, and urban open spaces, consistent with the rights of private property owners, and without having a significant adverse impact on agricultural operations and environmentally sensitive areas and wildlife, including wetlands and other wildlife habitats through completion . . . of regional bay, coast, water, and ridge trail systems . . . which are part of a regional trail system and are consistent with locally and regionally adopted master plans and general plans". Consistent with Section 31162(a), the proposed project will enable a local government to acquire property for public access to coastal hillsides and open space. Plans for future use of the property will include a public access plan that seeks to avoid significant adverse

effects on environmentally sensitive areas or wildlife. Pursuant to Section 31162(d) of the Public Resources Code, which authorizes projects that promote assist and enhance open space and natural areas that are accessible to urban populations for recreational and educational purposes, the project will protect open space and a natural area in the Santa Cruz Mountains of San Mateo County that is accessible to the urban population of the San Francisco Bay Area for recreational and education purposes.

The proposed project also satisfies each of the five criteria for determining project priority under Section 31163(c) in the following respects: (1) the project is consistent with the San Mateo County General Plan (1985) and the San Mateo County Trails Plan (2001); (2) the project serves a regional constituency because it enhances a network of 8,000 acres of open space in the Santa Cruz Mountains of San Mateo County and will draw both local residents and visitors from throughout the Bay Area; (3) the project will be implemented in a timely manner; (4) the project will enable SMCDP to act on an opportunity for a conservation acquisition that could be lost if the project is not quickly implemented; (5) the proposed project will use significant matching funds from POST.

CONSISTENCY WITH CONSERVANCY'S 2013 STRATEGIC PLAN GOAL(S) & OBJECTIVE(S):

Consistent with **Goal 11, Objective B**, the project will protect wildlife habitat, connecting corridors and open space of regional significance in the Santa Cruz Mountains near Pescadero Creek; and

Consistent with **Goal 12, Objective C**, the project will increase the amount of land accessible to the public and provide for additional trail corridors adjacent to an existing County park and within a network of 8,000 acres of protected land in San Mateo County.

CONSISTENCY WITH CONSERVANCY'S PROJECT SELECTION CRITERIA & GUIDELINES:

The proposed projects are consistent with the Conservancy's Project Selection Criteria and Guidelines adopted November 10, 2011 in the following respects:

Required Criteria

- 1. Promotion of the Conservancy's statutory programs and purposes:** See "Consistency with Conservancy's Enabling Legislation" section above.
- 2. Consistency with purposes of funding source:** See the "Project Financing" section above.
- 3. Support from the public:** SMCDP has worked closely with POST on the proposed project and has a wide range of support for the project. See Exhibit 4 for project letters.
- 4. Location:** The project is located 10 miles inland from the ocean in the Loma Mar area of the Santa Cruz Mountains in San Mateo County and is within the nine-county San Francisco Bay Area Conservancy Program area.
- 5. Need:** Conservancy funds are needed to allow SMCDP to complete this acquisition in a

timely manner so that SMCOE will not move to put the property up for sale to the general public.

6. **Greater-than-local interest:** The proposed project will provide additional open space within a highly desirable area for public access between the coastal resources near Pescadero and Santa Cruz Mountain resources around the community of Loma Mar. The property will serve local San Mateo County residents as well as visitors to the Bay Area.
7. **Sea level rise vulnerability:** The proposed acquisition will protect land located 10 miles inland from the coast. The property overall has limited vulnerability to sea level rise it has an elevation between 160 and 600 feet above mean sea level and current sea level rise predictions anticipate a rise in average water surface elevations of 0.4m (1.3 feet) by year 2050 and a 1.4m (4.6 feet) rise by 2100.

Additional Criteria

8. **Resolution of more than one issue:** The proposed acquisition project will protect priority conservation area including a tributary to a steelhead stream, Pescadero Creek, and improve public access in an area of the Santa Cruz Mountains with great potential for trail connectivity with 8,000 acres of protected natural area while allowing the Office of Education to provide outdoor education opportunities elsewhere.
9. **Leverage:** See the “Project Financing” section above.
10. **Conflict resolution:** The proposed acquisition will provide for the conservation of natural resources, eliminate the potential for subdivision of the property for residential development, and also enable SMCOE to secure funds to provide outdoor education to residents of San Mateo County.
11. **Readiness:** SMCDP is ready to complete the proposed project, and has identified funding to support completion of the project.
12. **Realization of prior Conservancy goals:** The Conservancy has invested in a number of acquisitions for the protection of open space, natural resources and public access for areas including Russian Hill in the Santa Cruz Mountain in San Mateo County.
13. **Cooperation:** SMCDP and POST have cooperated for development of this acquisition project with SMCOE.
14. **Minimization of Greenhouse Gas Emissions:** The proposed acquisition project will not increase Greenhouse Gas (GHG) Emissions. GHG emissions from future public access or improvements to the Loma Mar property will be considered in the management plan to be developed for the property.

COMPLIANCE WITH CEQA:

The proposed acquisition project is categorically exempt from the California Environmental Quality Act (CEQA), under 14 California Code of Regulations Section 15313, as an acquisition of lands for preservation of fish and wildlife habitat; Section 15325, as a transfer of an interest in land to preserve open space and habitat, and in particular, preservation of the existing natural conditions, including plant and animal habitats; and Section 15316, as an acquisition of land to

establish a park where the land is in natural condition and a management plan as a park has not yet been created.

Staff will file a Notice of Exemption upon approval of the project.