

COASTAL CONSERVANCY

Staff Recommendation

June 18, 2026

**WILDFIRE RESILIENCY PROJECTS**

Project Numbers 26-014-01 and 26-012-01

Project Managers: Kostoula Vallianos and Sara Haugen

**RECOMMENDED ACTION:** Authorization to disburse a total of up to \$1,870,000 to the City of San Luis Obispo and Pepperwood Foundation to carry out implementation projects that will improve forest health and wildfire resiliency in Sonoma and San Luis Obispo Counties.

**LOCATION:** Sonoma and San Luis Obispo Counties

---

EXHIBITS

Exhibit 1: [Project Location](#)

Exhibit 2: [Project Photos](#)

Exhibit 3: [Project Letters](#)

Exhibit 4: [California Environmental Quality \(CEQA\) Suspension Approvals](#)

---

**RESOLUTION AND FINDINGS**

Staff recommends that the State Coastal Conservancy adopt the following resolution and findings.

Resolution:

The State Coastal Conservancy hereby authorizes disbursement of a total amount not to exceed one million eight hundred seventy thousand dollars (\$1,870,000) to one public agency and one nonprofit, to carry out two wildfire resilience projects (collectively, the “projects”) that will improve forest health and wildfire resiliency in Sonoma and San Luis Obispo Counties. The projects are as follows:

1. **City of San Luis Obispo:** Seven hundred and seventy thousand dollars (\$770,000) to implement fuel reduction treatments across approximately 250 acres in three City-owned open space areas, install grazing infrastructure in the Cerro San Luis Natural Reserve, and conduct cultural burns on roughly 40 acres in the Irish Hills Natural Reserve in partnership with yak tit<sup>y</sup>u tit<sup>y</sup>u yak tit<sup>h</sup>ini Northern Chumash Tribe.
2. **Pepperwood Foundation:** One million one hundred thousand dollars (\$1,100,000) to implement fuel reduction and prescribed fire treatment for 1,509 acres of the Pepperwood

Preserve along the property's ridgeline and to build workforce capacity through workshops and trainings.

The City of San Luis Obispo and Pepperwood Foundation are each a "grantee." Prior to commencement of each project, the grantee for the specific project shall submit for the review and written approval of the Executive Officer of the Conservancy (Executive Officer) the following:

1. A detailed work program, schedule, and budget.
2. Names and qualifications of any contractors to be retained in carrying out the project.
3. A plan for acknowledgement of Conservancy funding from the Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air Bond Act of 2024.
4. Evidence that all permits and approvals required to implement the project have been obtained.

Findings:

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

1. The proposed authorization is consistent with Chapter 3 of Division 21 of the Public Resources Code regarding the Climate Ready Program.
2. The proposed projects are consistent with the current Conservancy Project Selection Criteria.
3. Pepperwood Foundation is a nonprofit organization organized under section 501(c)(3) of the U.S. Internal Revenue Code.

---

## **STAFF RECOMMENDATION**

### **PROJECT SUMMARY**

Staff recommends the Conservancy authorize up to a total of \$1,870,000 in grants to the City of San Luis Obispo and the Pepperwood Foundation to carry out implementation projects that will improve forest health and wildfire resiliency in Sonoma and San Luis Obispo Counties (collectively referred to as the "projects"). The projects are part of the Conservancy's wildfire resilience program and will develop and implement vegetation management activities to increase wildfire resilience of California's forests, grasslands, and natural lands and reduce fire risk to communities. The proposed authorization will be funded with the Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air Bond Act of 2024 (the "2024 Climate Bond" or "Proposition 4"). Due to the urgency of addressing the wildfire crisis, the California legislature and Governor acted quickly to authorize spending of 2024 Climate Bond funds on wildfire resilience through a modification of the 2024 Budget Act rather than waiting for completion of the 2025 Budget Act.

**CITY OF SAN LUIS OBISPO**

**\$770,000**

**City of San Luis Obispo Wildfire Resilience Treatments**

**26-014-01**

The City of San Luis Obispo (City) faces an unprecedented and escalating wildfire risk, particularly within the wildland-urban interface, where development directly borders fire-prone open spaces, rangeland, and forests. CAL FIRE’s 2025 Fire Hazard Severity Zone maps show a dramatic increase in wildfire exposure within the City, with parcels in Very High Fire Hazard Severity Zones growing 75-fold from 38 in 2011 to 2,845 today. The City owns and manages more than 4,000 acres of open space, the overwhelming majority of which lie within these high-risk areas. Fire risk assessments consistently identify the City’s perimeter and creek corridors as especially vulnerable due to continuous fuels, steep terrain, and their potential to convey fire into residential neighborhoods and the urban core. This risk is further compounded by extreme weather events that have increased dead and downed vegetation, rising human-caused ignitions in riparian areas, and the ongoing presence of electrical transmission infrastructure in high-risk zones. The proposed project will reduce wildfire risk and strengthen regional resilience through targeted work on the following City-owned open space lands. All three project locations are located in or adjacent to Disadvantaged or Severely Disadvantaged Communities as defined by Proposition 4.

- Reservoir Canyon Natural Reserve is exposed to elevated wildfire risk due to strong offshore Santa Lucia winds that descend from the Los Padres National Forest and Santa Lucia Wilderness, channeling through the property and into the adjacent Disadvantaged Community. Fuel reduction work on this property will include trimming or removing approximately 30 hazardous trees, implementing an estimated 54 acres of prescribed herbivory, and approximately 5 acres of manual treatment by the California Conservation Corps (CCC).
- Cerro San Luis Natural Reserve management has historically included livestock grazing. Installing cattle grazing infrastructure will enable smaller pasture sizes and frequent rotation within 106 acres of the reserve. These smaller pastures will allow for more targeted fuel reduction and protection of resources. Additional fuel reduction work on this property will include the trimming or removal of approximately 40 hazardous trees, an estimated 106 acres of prescribed herbivory, manual treatment of approximately 15 acres conducted by the CCC, and approximately 4 acres of invasive species removal which may also include herbicide spot treatment if needed.
- Irish Hills Natural Reserve has been identified by City staff as posing the greatest risk to human life and property during a westerly, onshore wind event. Fuel reduction work will include trimming or removal of approximately 25 hazardous trees, estimated 36 acres of prescribed herbivory, and manual treatment of approximately 25 acres conducted by the CCC. Work on this property also includes approximately 5 acres of invasive species removal which may also include herbicide spot treatment, and cultural burns totaling and estimated 40 acres in partnership with yak tit’u tit’u yak ti’hini Northern Chumash Tribe (ytt Tribe).

Across the three reserves, treatments will include the use of a limited number of pile burns to reduce some of the biomass generated by project activities.

**Site Description:** The City owns and manages over 4,000 acres of open space across ten major properties comprising many different habitat types all within the San Luis Obispo Creek watershed. San Luis Obispo has a long list of endangered, sensitive, rare, and serpentine endemic plants present in its open space areas. The proposed project includes work on three City-owned open space areas. Oak woodland, chaparral, native grassland, coastal sage scrub serpentine outcrops, and nonnative invasive species are found in these City-owned open spaces. All City-owned open space properties have public access trails.

**Grant Applicant Qualifications:** The City of San Luis Obispo has successfully demonstrated the administration of multimillion-dollar grants and implemented hazardous fuels reduction projects of similar scale and complexity to the proposed project. The City has partnered with the San Luis Obispo Fire Safe Council as both a grantee and subgrantee to secure and manage funding for a range of vegetation management activities, including French broom removal on Irish Hills Natural Reserve, hazardous tree removal and tree maintenance in Irish Hills Natural Reserve and Bowden Ranch Open Space, and prescribed herbivory in Prefumo Creek and San Luis Obispo Creek. In addition, the City recently secured a \$159,397 CAL FIRE Wildfire Prevention Grant to purchase specialized equipment, including a chipper and track chipper, to support ongoing tree trimming and removal projects throughout the City and its open space system.

**Consistency with Conservancy's 2023-2027 Strategic Plan:**

Consistent with **Goal 1.1 Commit Funding to Benefit Systemically Excluded Communities**, the proposed project will implement wildfire resilience work that will benefit Disadvantaged and Severely Disadvantaged Communities in the City of San Luis Obispo.

Consistent with **Goal 1.2 Return Power to Tribes**, the proposed project will implement an estimated 40 acres of cultural burning in partnership with yak tit'yu tit'yu yak tifhini Northern Chumash Tribe, allowing them to incorporate tribal expertise and traditional knowledge into land management.

Consistent with **Goal 1.4 Workforce Development**, the proposed project will engage the California Conservation Corp to conduct manual treatments on all three project locations. The project will expand the pool of qualified practitioners capable of sustaining fuels management.

Consistent with **Goal 4.2 Wildfire Resilience**, the proposed project will implement a wildfire resilience project to restore the health and resilience of California forests, grasslands, and natural lands in a manner that reduces fire risk to communities by trimming or removal of approximately 95 hazardous trees and reducing fuel loads on approximately 290 acres through, manual treatment, prescribed herbivory, invasive species removal, and cultural burning.

**CEQA:** California Environmental Protection Agency and California Natural Resources Agency have approved the City of San Luis Obispo Wildfire Resilience Treatments project as qualifying for the suspension from state statutes and regulations, including CEQA, that is set forth in the Governor's March 1, 2025 Proclamation of a State of Emergency. The approval to proceed under the suspension is included as Exhibit 4.

**PEPPERWOOD FOUNDATION**

**\$1,100,000**

**Pepperwood Beneficial Fuel Break and Work Force Training**

**26-012-01**

The Pepperwood Foundation will implement fuels reduction and prescribed fire treatment for 1,509 acres of the Pepperwood Preserve along the property’s ridgeline (about 47% of the property) and build workforce capacity through workshops and trainings. CAL FIRE has identified the preserve as a strategic priority for wildfire mitigation and community protection within a high-risk wildfire corridor in eastern Sonoma County. The property’s prominent north-south ridgeline and associated fire road function as a critical fuel break that proved essential during the Kincade Fire, when it helped slow and ultimately halt the fire’s advance toward the Mark West community. However, following two major wildfire events, the Tubbs Fire and the Kincade Fire, post-fire vegetation regrowth has resulted in dense shrubs, heavy surface and ladder fuel accumulation, and altered forest structure, significantly increasing the risk of a high-intensity reburn that could compromise this strategic control line. A severe wildfire advancing along this ridgeline would threaten adjacent rural residential neighborhoods, critical evacuation routes, and public safety, while also increasing the likelihood of soil instability, erosion, degraded water quality, and impaired watershed function within the Russian River watershed. At the same time, escalating regional demand for fuels reduction and wildfire resilience projects has outpaced the availability of trained workforce crews, creating capacity gaps across this high-priority landscape. Without sustained management and adequate workforce capacity, continued fuel accumulation along the ridgeline will diminish its effectiveness as a defensible barrier and heighten the risk of wildfire impacts to surrounding communities and downstream ecological systems.

To meet this need, the fuels reduction and prescribed fire treatments will include conservation grazing, forest thinning and pile burning, grassland burning, native grass propagation, and restoration. Pepperwood will also provide hands-on training workshops, supervised field-based learning opportunities, and collaborative experiences in partnership with Conservation Corps North Bay and regional practitioners. Pepperwood’s Native Advisory Council will guide the integration of Indigenous stewardship knowledge and cultural burning practices into both training and treatment design. By embedding workforce development into the implementation, the project will expand the pool of qualified practitioners capable of sustaining fuels management over time and strengthening effectiveness of the strategic fuel break along Pepperwood’s ridgeline.

**Site Description:** Pepperwood is a 3,200-acre nature preserve owned by the Pepperwood Foundation. It supports a diverse mosaic of grasslands, oak woodlands, mixed hardwood forest, Douglas-fir forest, chaparral, and riparian habitats including intermittent streams, springs, ponds, and seasonal wetlands that are important for terrestrial and aquatic species. Pepperwood hosts the Dwight Center for Conservation Science, which serves as a conservation think tank and a hub for ecological education. The preserve is located at the headwaters of the Mark West, Mayacama, and Brooks Creek basins and sits within a historical wildlife corridor where burns occurred in 1923, 1964, 2017 and 2019. It contains a north/south ridgeline that

runs for 5.5 miles and serves as a fuel break for the communities of Knights Valley, Franz Valley, Mountain Home Ranch, Mark West, Larkfield, Shiloh Hills, Windsor, and Chalk Hill.

**Grant Applicant Qualifications:** The Pepperwood Foundation has successfully administered millions of dollars in government and foundation grant awards over nearly three decades, including a recent Conservancy grant to manage fuels reduction and improving cattle grazing infrastructure. It has implemented similar forest improvement projects since 2006 with funding from the Natural Resource Conservation Service, California Department of Fish and Wildlife, and CAL FIRE’s California Forest Improvement Program. The Pepperwood Foundation completes a financial audit each year and has accountability measures to monitor and verify purchases and implementation within the grant timeline. Finally, the Pepperwood Foundation has an adaptive management process with a monitoring component that informs their ongoing stewardship and maintenance for the property.

**Consistency with Conservancy’s 2023-2027 Strategic Plan:**

Consistent with **Goal 1.4 Workforce Development**, the proposed project will engage the Conservation Corps North Bay to conduct fuels reduction work and other treatments on the property. The project will expand the pool of qualified practitioners capable of sustaining fuels management.

Consistent with **Goal 3.2 Restore or Enhance Habitats**, the proposed project will restore and enhance forest and oak woodland habitats within a known wildlife corridor and at the headwaters of creeks that support salmonid habitat. The project will plant 200 acres of native forbs and grasses throughout burned or grazed areas on the property.

Consistent with **Goal 4.2 Wildfire Resilience Project**, the proposed project will implement fuels reduction and prescribed fire treatment for 1,509 acres of the Pepperwood Preserve in a manner that reduces fire risk to communities.

**CEQA:** California Environmental Protection Agency and California Natural Resources Agency have approved the Pepperwood Beneficial Fuel Break and Work Force Training project as qualifying for the suspension from state statutes and regulations, including CEQA, that is set forth in the Governor’s March 1, 2025 Proclamation of a State of Emergency. The approval to proceed under the suspension is included as Exhibit 4.

**CONSISTENCY WITH CONSERVANCY’S PROJECT SELECTION CRITERIA**

The proposed project is consistent with the Conservancy’s Project Selection Criteria, last updated on September 23, 2021, in the following respects:

**Selection Criteria**

**1. Extent to which the project helps the Conservancy accomplish the objectives in the Strategic Plan.**

See the “Consistency with Conservancy’s Strategic Plan” section below.

**2. Project is a good investment of state resources.**

The projects are feasible, have reasonable budgets, and address a demonstrated need for wildfire resilience. The projects implement many statewide wildfire and forest resiliency goals. The proposed projects are also consistent with several state plans, and specifically with the following:

- **California’s Wildfire and Forest Resilience Action Plan** (Governor’s Forest Management Task Force, January 2021), which calls for activities such as fuels reduction, forest thinning, vegetation management, prescribed fire, shaded fuel breaks, defensible space, and enhancement of fire-prone habitats to reduce fire risk.
- **California’s Strategic Plan for Expanding the Use of Beneficial Fire** (Governor’s Forest Management Task Force, March 2022), which builds on the Wildfire and Forest Resilience Action Plan and lays out goals and actions to increase beneficial fire including prescribed fire and cultural burning.
- The **California Forest Carbon Plan** (California Natural Resources Agency, 2018), which calls for restoration of the natural fire regime and forest composition through a multitude of approaches including thinning, prescribed burns, invasive vegetation management, and shaded fuel breaks.
- The **Community Wildfire Prevention & Mitigation Report** (CAL FIRE, 2019), which urges state and local agencies to implement the goals of the Forest Carbon Plan and provides recommendations to agencies to increase the scale and pace of management and mitigation actions to improve forest health and resiliency.

In addition, the City of San Luis Obispo project will benefit Disadvantaged and Severely Disadvantaged Communities.

**3. Project includes a serious effort to engage tribes. Examples of tribal engagement include good faith, documented efforts to work with tribes traditionally and culturally affiliated to the project area.**

The City has an established relationship with ytt Tribe and engaged them early in the development of this project. The project will use grant funds to compensate tribal members for their time, expertise, and travel to participate in cultural burning and other stewardship activities on their ancestral homelands within City open space, ensuring that tribal participation is equitable, sustained, and grounded in Indigenous leadership. This project will build off of the Tribe’s ongoing work to develop cultural burn plans, protocols, and implementation capacity funded by a separate Conservancy grant and will enable the City and Tribe to move from planning and capacity-building into on-the-ground implementation of cultural burns at multiple open space properties. In addition, this project will support the development of formal agreements and legal frameworks that more clearly enable tribal access to City open space for long-term stewardship activities such as cultural burning, harvesting, and ecological monitoring.

Pepperwood’s Native Advisory Council was consulted during the development of the project and will continue to advise the management and science teams on land stewardship priorities, including identifying areas suitable for the propagation of culturally important forb species. The

Council has also helped shape treatment strategies so that fuels reduction activities reflect Indigenous stewardship perspectives. Tribal knowledge has directly influenced stewardship practices across the property, and Wappo place names have been incorporated into preserve maps and signage. Pepperwood is committed to integrating Indigenous stewardship practices to inform ecological restoration and wildfire resilience strategies.

**4. Project benefits will be sustainable or resilient over the project lifespan.**

The projects will help increase fire resiliency in the context of anticipated climate change. Fire resilience is a critical issue due to increased average temperatures, reduced marine fog and longer and more severe droughts. California is facing unprecedented fire risk due to climate change, a growing populace and an increasing number of people living in high fire risk areas, including areas adjacent to wildlands. The 2025 Los Angeles wildfires were two of the most destructive wildfires in recent California history. These wildfires follow several years of destructive and deadly catastrophic wildfires in California.

**5. Project delivers multiple benefits and significant positive impact.**

The projects were selected because they are multi-benefit projects that will reduce the risk of catastrophic wildfire impacts to communities. Added benefits of these projects include collaboration with tribes, native habitat restoration, beneficial fire, workforce training, and public education. The City of San Luis Obispo project will also benefit Disadvantaged and Severely Disadvantaged Communities.

**6. Project planned with meaningful community engagement and broad community support.**

The City of San Luis Obispo has planned this project through sustained, multi-year community engagement and collaboration that is embedded in the City's broader wildfire resilience and climate adaptation framework. The proposed activities directly implement priorities identified through the City's Climate Adaptation and Safety Element, which was developed through an extensive public planning process that included workshops, surveys, stakeholder meetings, and City Council hearings. Community members, neighborhood representatives, emergency responders, environmental organizations, and land managers consistently identified proactive vegetation management on public lands and protection of evacuation routes and critical infrastructure as top priorities and are now codified as policies and programs in the City's general plan. These community-driven policies now guide City decision-making and provide the foundation for the proposed fuels reduction work.

The Pepperwood Foundation project was planned in collaboration with the Native Advisory Council and they continue to advise the Pepperwood Management and Science Teams. Its project was also shaped by community input gathered through Forest and Land Stewardship workshops, prescribed fire trainings, and volunteer workdays. Pepperwood's ongoing engagement efforts will focus on building trust and sustaining long term relationships through transparent communication and direct collaboration with local groups. Barriers to participation will be reduced by offering volunteer opportunities at convenient times and accessible locations, providing virtual or hybrid options when appropriate, and incorporating shared meals into in-person gatherings to strengthen connection workdays.

**PROJECT FINANCING**

<b>Coastal Conservancy</b>	<b>\$1,870,000</b>
Wildlife Conservation Board (Pepperwood Foundation Project)	\$910,000
Pepperwood Foundation	\$30,000
City of San Luis Obispo	\$110,000
<b>Project Total</b>	<b>\$2,920,000</b>

The anticipated source of funding is an appropriation to the Conservancy from the Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air Bond Act of 2024 (“2024 Climate Bond” or “Proposition 4”), codified at Public Resource Code Sections 90000-95015. These funds are available as described in Section 91520(k) of the Public Resource Code for “watershed improvement, wildfire resilience, chaparral and forest restoration, and workforce development that addresses needs related to this subdivision and is designed to create career pathways for individuals from disadvantaged communities, severely disadvantaged communities, or vulnerable populations.” The City of San Luis Obispo owned open spaces include oak woodland, chaparral, native grassland, coastal sage scrub serpentine outcrops, and nonnative invasive species. The Pepperwood Preserve contains a diverse mosaic of chaparral, oak woodlands, mixed hardwoods, and riparian habitats. Workforce development is also embedded into each project through collaborations with North Bay Conservation Corps and the California Conservation Corps. Projects proposed for funding in this staff recommendation are consistent with the funding source because they will increase watershed and forest ecosystem health, wildfire resilience of lands and communities, and include workforce development. The City of San Luis Obispo will also provide \$134,200 in in-kind staff time.

Unless specifically identified as “Required Match,” the other sources of funding and in-kind contributions described above are estimates. The Conservancy does not typically require matching funds or in-kind services, nor does it require documentation of expenditures from other funders or of in-kind services. Typical grant conditions require grantees to provide any funds needed to complete a project.

**CONSISTENCY WITH CONSERVANCY’S ENABLING LEGISLATION**

The recommended projects will be undertaken pursuant to Section 31113 of Chapter 3 of Division 21 of the Public Resources Code, which authorizes the Conservancy to address the impacts and potential impacts of climate change on resources within the Conservancy’s jurisdiction (Section 31113(a)).

Pursuant to Section 31113(b), the Conservancy is authorized to award grants to nonprofit organizations and public agencies to undertake projects that reduce greenhouse gas emissions and address extreme weather events, sea level rise, flooding, and other coastal hazards that threaten coastal communities, infrastructure, and natural resources.

Pursuant to Section 31113(c), the Conservancy must prioritize grants for projects that maximize public benefits and have one of several purposes, including reducing emissions of greenhouse gases and preserving natural lands.

Consistent with these sections, the proposed projects will maximize benefits to the public and restore the health and resilience of California forests, grasslands, and/or natural lands and reduce fire risk to communities. The projects will help California's natural lands be more resilient to catastrophic wildfires, which may ultimately reduce greenhouse gas emissions released from increased wildfires due to climate change.

**CEQA COMPLIANCE:**

Governor Newsom issued a Proclamation on March 1, 2025. The Proclamation declares that California is in a state of emergency due to forest conditions, and it identifies several actions to address wildfire risk across California. To expedite critical fuels reduction projects, the Proclamation suspends, subject to approval of the Secretaries of the California Environmental Protection Agency and California Natural Resources Agency, certain California statutory and regulatory requirements, including CEQA. Both proposed projects have been granted an emergency suspension from these state statutes and regulations, including CEQA. Suspension approval documents are included as Exhibit 4.

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