

COASTAL CONSERVANCY
Staff Recommendation
September 17, 2026
WILD CHERRY CANYON ACQUISITION
Project No. 26-034-01
Project Manager: Timothy Duff

RECOMMENDED ACTION: Authorization to disburse up to \$42,000,000 to the Wildlands Conservancy to acquire the fee title and leasehold interest in the approximately 2,060-acre Wild Cherry Canyon property within the Diablo Canyon lands to protect, restore, and enhance natural and cultural resources; to provide public and California Native American tribal access; to enable potential construction of lower-cost coastal accommodations; and to enable agriculture that is compatible with these uses, in San Luis Obispo County.

LOCATION: Diablo Canyon Lands, San Luis Obispo County.

EXHIBITS

- Exhibit 1: [Project Location Maps](#)
Exhibit 2: [Project Photos](#)
Exhibit 3: [Diablo Canyon Land Conservation Planning Project Staff Recommendation](#) (February 2024)
Exhibit 4: [Project Letters](#)
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RESOLUTION AND FINDINGS

Staff recommends that the State Coastal Conservancy adopt the following resolution and findings, pursuant to Chapter 5.5 of Division 21 of the Public Resources Code

Resolution:

The State Coastal Conservancy hereby authorizes a grant of an amount not to exceed forty million dollars (\$40,000,000) to the Wildlands Conservancy (“the grantee”) to acquire the fee title and leasehold interest (collectively, the acquisition”) in the approximately 2,060-acre Wild Cherry Canyon property within the Diablo Canyon lands (Assessor’s Parcel Numbers 076-161-001, 076-161-002, 076-161-008, 076-171-017, 076-171-033, 076-172-030, 076-172-013, 076-174-011, 076-161-005, and 076-161-006) (the “property”), to protect, restore, and enhance natural and cultural resources; to provide public and California Native American tribal access; to enable potential construction of lower-cost coastal accommodations; and to enable agriculture that is compatible with these uses, in San Luis Obispo County. The seller of the fee title will

retain approximately 250 acres of the property needed for road access to the Diablo Canyon Nuclear Power Plant and for an existing homesite. The acquisition is subject to the following conditions:

1. Prior to the disbursement of funds for the acquisition, the grantee shall submit for the review and approval of the Executive Officer of the Conservancy (Executive Officer):
 - a. All relevant acquisition documents for the acquisition including, without limitation, the appraisal, purchase and sale agreement, deed, escrow instructions, environmental or hazardous materials assessment, and title report;
 - b. A baseline conditions report; and
 - c. Evidence that sufficient funds are available to complete the acquisition.
2. The grantee shall pay no more than fair market value for the acquisition, as established in an appraisal approved by the Executive Officer.
3. Upon acquisition of fee title, if requested by the Conservancy, the grantee shall record on the property one or more conservation, public access and/or California Native American tribal access easements, or similar instruments, that were developed by or on behalf of the Conservancy as part of the Conservancy's Diablo Canyon Land Conservation Planning Project, and in consultation with the grantee.
4. Upon acquisition of fee title, if requested by the Conservancy, the grantee shall allow a segment of the California Coastal Trail to be developed on the property in an alignment determined by the Conservancy in consultation with the grantee.
5. Within five years after acquiring the leasehold the grantee shall prepare a management plan for public access and California Native American tribal access and co-stewardship, and open the property for public access and California Native American tribal access.
6. Upon acquisition of the leasehold, the property shall be managed and operated to protect, restore, and enhance natural and cultural resources; to provide public and California Native American tribal access; to enable potential construction of lower-cost coastal accommodations; and to enable agriculture that is compatible with these uses. The property shall be permanently dedicated to those purposes by an appropriate instrument approved by the Executive Officer.
7. Upon acquisition of the leasehold, Conservancy funding shall be acknowledged by erecting and maintaining a sign on the property or in a nearby publicly viewable area, the design and location of which are to be approved by the Executive Officer.
8. The grantee shall require the seller of fee title to the property to record one or more deed restrictions on the portion of Wild Cherry Canyon that is approximately 250 acres to be retained by the seller, the terms of which must restrict uses of the retained land to those uses that do not interfere with the purposes for which the property is being acquired.

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 5.5 of Division 21 of the Public Resources Code, regarding integrated coastal and marine resources protection.
 2. The proposed acquisition is consistent with the current Conservancy Project Selection Criteria.
 3. The Wildlands Conservancy is a nonprofit organization organized under section 501(c)(3) of the U.S. Internal Revenue Code.
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STAFF RECOMMENDATION

PROJECT SUMMARY:

Staff recommends the Conservancy authorize a \$42,000,000 grant to the Wildlands Conservancy (TWC) to acquire the fee title and leasehold interest (collectively, the “acquisition”) in the approximately 2,060-acre Wild Cherry Canyon property (referred to as “Wild Cherry Canyon” or the “property”) within the Diablo Canyon lands to protect, restore, and enhance natural and cultural resources; to provide public and California Native American tribal access; to enable potential construction of lower-cost coastal accommodations; and to enable agriculture that is compatible with these uses in San Luis Obispo County (the “project”). See Exhibit 1 for project location. For the past 20 years Conservancy staff and its local partners have been attempting to acquire this spectacular piece of the California coast and to protect it from the ongoing efforts to develop the property for private use. Today, the Conservancy has the opportunity to contribute to acquiring the property and to finally deliver to the local community and local tribes their long-sought protection and access to this special place. Funding for this specific project was allocated to the Conservancy in the state’s 2023-2024 budget.

Fee title of the property is owned by Eureka Energy, a subsidiary of Pacific Gas and Electric Company (collectively referred to as PG&E). PG&E acquired the fee title to the property subject to a pre-existing lease. The lease, which is held by a private party, allows all uses that are consistent with the property’s zoning, which includes residential use, and can be extended to the year 2166. Because of these exceptionally broad terms, the leasehold interest represents nearly all of the property’s current economic value. Protecting the property for the conservation and access purposes requires acquisition of both fee title and the leasehold interest.

The acquisition of the property will occur in two transactions. First, TWC will purchase the leasehold interest by the end of 2026 or early 2027. Subsequently, TWC anticipates purchasing the fee title by the end of 2027. PG&E will retain fee title to approximately 200 acres needed for road access to the Diablo Canyon Nuclear Power Plant as well as approximately 50 acres previously developed with a home. The approximately 250 acres to be retained by PG&E is covered by the leasehold. PG&E has agreed that its retained land will be subject to deed restrictions limiting PG&E’s use of these areas to ensure no future uses impair the conservation and protection of the surrounding lands owned by TWC.

As part of the Conservancy's Diablo Canyon Land Conservation Planning Project, Conservancy staff will work with TWC, the local community, and local California Native American tribes to develop one or more conservation, public access, and tribal access easements or other instruments to further protect the community's vision for the property. The Diablo Canyon Land Conservation Planning Project began in the fall of 2024 with the goal of planning for future land conservation and public and tribal uses of the 12,000 acres surrounding the Diablo Canyon Nuclear Power Plant (these are known as the Diablo Canyon lands). The three primary properties of the Diablo Canyon lands are Wild Cherry Canyon, North Ranch, and South Ranch (Exhibit 1, page 2 and Exhibit 3).

TWC shares the Conservancy's goal to open the property to the public and local California Native American tribes as soon as the necessary planning and facility development has been completed in consultation with the community and tribes. The property has been identified by the community as well-suited for public access, including a 5-mile California Coastal Trail segment that will connect to a planned 20-mile route from Avila Beach north to Montaña de Oro State Park. Low-impact camping opportunities will also be explored and could potentially be developed on the property. Tribes will be invited to develop, review, and approve cultural resource protection and tribal access easements or other instruments that provide tribal access to the property for ceremonial, cultural, or other purposes and protection of cultural resources. In addition, TWC will create a California Native American Tribal Access and Co-Stewardship Plan that outlines protocols and commitments for tribal access and co-stewardship, such as restoration or enhancement of culturally significant plant species; cultural burning; harvesting native plants for traditional cultural use; development of tribal cultural gathering/ceremonial spaces or ancillary structures necessary to support tribal uses, and interpretive signage or educational programming. Consistent with California Air Resources Board goals, protecting the property for conservation uses will also serve to reduce greenhouse gas emissions.

Site Description: The property is comprised of approximately 2,060 acres located within the southwestern portion of the Irish Hills between the communities of Avila Beach and Port San Luis (Exhibit 1). The Irish Hills region extends over approximately 60,000 acres of rugged and largely undeveloped terrain. On its western edge is the 20-mile stretch of the Pecho Coast, comprised of small coves with sandy pocket beaches, rugged cliffs, offshore sea stacks and a rocky headland. Adjacent marine terraces support some of the best examples of coastal prairie habitat in the state. While most of the land in the Irish Hills is privately owned, state and federal agencies and local land trusts own and manage several properties there, including the 8,000-acre Montaña de Oro State Park, California's largest coastal state park.

Except for the Diablo Canyon Nuclear Power Plant, the Irish Hills has avoided large-scale development due to the difficulty of developing major transportation corridors within the rugged terrain. Wild Cherry Canyon, however, is one of the few properties in the area that can be accessed directly from a public road. Although the property is not directly on the coast it encompasses several important coastal watersheds and is adjacent to a popular beach located immediately west of the main entrance road (Exhibit 1). The site is bordered by the Hibberd Preserve on the northeast, PG&E lands to the north, San Luis Bay on the southwest, and private ranches to the east. Elevations range from near sea level to 1,200 feet with gently rolling hills and steep terrain encompassing portions of several watersheds draining to the Pacific Ocean,

including most of Wild Cherry Canyon, upper Harford Canyon Creek, the headwaters of Rattlesnake Canyon Creek, and the eastern half of the upper Pecho Creek watershed. The property is used for cattle grazing and to access the Diablo Canyon Nuclear Power Plant seven miles to the north.

Dense coast live oak woodlands with massive oaks, grasslands, coastal scrub, coastal chaparral, and riparian forest habitats are all found on the property. Special status species include the California red-legged frog, western pond turtle, two-striped garter snake, Coast Range newt, and pallid and Townsend's big-eared bats. Numerous bird species seen on the property include the Cooper's hawk, sharp-shinned hawk, ferruginous hawk, merlin, golden eagle, Bell's sage sparrow, California horned lark, tricolored blackbird, burrowing owl, long-eared owl, yellow warbler, and yellow-breasted chat. Special status plants include La Cruz, Edna and Pecho Manzanita, and Hoover's bentgrass.

Grant Applicant Qualifications: The Wildlands Conservancy is a California private nonprofit public benefit corporation dedicated to preserving biodiversity and to providing passive recreation and education opportunities for the public as well as exclusive access to tribes. Over the past 25 years TWC has established the largest nonprofit nature preserve system in California, comprised of fifteen preserves encompassing 143,000 acres of diverse mountain, valley, desert, river, and oceanfront landscapes, including its 5,630-acre Jenner Headlands Preserve and the 93,000-acre Wind Wolves Preserve. These preserves are open to the public free of charge for passive recreation, including camping, hiking, horseback riding, picnicking, and birding. TWC also has deep experience co-managing and providing tribal access at several of its preserves including at the recently acquired Rana Creek Preserve in Carmel Valley where it also supported the purchase of the adjacent Tularcitos Creek property by the local Esselen Tribe of Monterey County.

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:

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 project protects the property against development in perpetuity and will provide new opportunities for public and tribal access. The acquisition will serve to protect the property's ecological functions, provide climate change resiliency benefits, and advance the state's 30x30 Executive Order by conserving approximately 2,060 acres of largely undeveloped land. The "Diablo Canyon Power Plant Land Conservation and Economic Development Plan" prepared by California Natural Resources Agency pursuant to Senate Bill 846, identified guiding values for the Diablo Canyon lands, including the need to explore conservation, recreation, and tribal partnerships at Wild Cherry Canyon.

3. Project includes a serious effort to engage tribes.

Through the Conservancy's Diablo Canyon Lands Conservation Planning Project, the Conservancy is consulting with five tribes regarding future conservation and access plans for Diablo Canyon Lands, including Wild Cherry Canyon. To date, these tribes have provided feedback in development of the scope of work for the project, selection of the consultant team, and review of key deliverables, including the project's Tribal Partnership Plan completed in early 2026. Tribal consultations are ongoing, which will continue to inform planning and tribes will continue to be invited to review and provide feedback on project deliverables. This will include the opportunity to develop, review and approve cultural resource protection and tribal access easements to Wild Cherry Canyon for ceremonial, cultural, or other purposes.

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

By protecting the property from private development in perpetuity, the project supports ecological function throughout several watersheds and provides resilience to future habitat and species range shifts spurred by climate change impacts.

5. Project delivers multiple benefits and significant positive impact.

Acquisition will preserve the property's biodiversity and habitat values and allow for future public and tribal access in perpetuity.

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

Protection of Wild Cherry Canyon has been a community priority for more than two decades. In 2000, the Diablo Resources Advisory Measure, the DREAM Initiative, asked county leaders to set aside Diablo Canyon lands for habitat preservation, public use, and agriculture once the power plant shuts down. It passed with almost 75% of San Luis Obispo County voters supporting the measure. In 2009 the Conservancy approved funds to acquire Wild Cherry Canyon but the effort failed when the seller backed out of negotiations. In 2021 a community coalition called the Friends of Diablo Canyon Lands released "A Conservation Framework for the Diablo Canyon Lands" which called for the protection of all the Diablo Canyon Lands and managed public access to Wild Cherry Canyon. In 2023, another community-based report titled, "Partnership Proposal for SB 846 Land Conservation and Economic Development", was co-authored by yak tit'yu tit'yu yak ti'hini (ytt) Northern Chumash Tribe, Land Conservancy of San Luis Obispo County, Cal Poly State University and REACH. The report recommends the acquisition of Wild Cherry Canyon for park uses that "balance cultural and environmental resource protection with development of compatible future public and educational uses that do not currently exist. Protecting Wild Cherry Canyon will also facilitate a continuous trail from Avila Beach to Montaña de Oro State Park." More recently, in 2024 the Conservancy launched its Diablo Canyon Land Conservation Planning Project to plan for the protection of the 12,000 acres surrounding the power plant in collaboration with the local community and tribes (Exhibit 3). A community working group comprised of local leaders and Tribal representatives meets regularly. The Conservancy is also carrying out a Tribal Partnership Program to work with local California Native American tribes. In July 2026, a project website was launched to educate the broader public about the project and to offer a variety of ways to participate in the planning effort. On September 23, 2026, a community-wide kickoff event will be held in downtown San

Luis Obispo to engage with residents and solicit their feedback on future land protection and access to the lands.

PROJECT FINANCING

Coastal Conservancy	\$42,000,000
Project Total	\$42,000,000

Funding for the proposed project is anticipated to come from two sources. The first source of anticipated Conservancy funds is an appropriation to the Conservancy from the Greenhouse Gas Reduction Fund (GGRF) specifically for acquisition of Wild Cherry Canyon in San Luis Obispo County. The appropriation requires long-term protection of the property for public access and a reversionary interest for the state, both of which will be achieved through the condition in the resolution that the property be acquired to protect, restore, and enhance natural and cultural resources; for public and California Native American tribal access; for potential construction of lower-cost coastal accommodations; and for compatible agriculture use; and that the property will be permanently dedicated to those purposes by an appropriate instrument approved by the Executive Officer. Consistent with the appropriation requirements, TWC has a demonstrated track record of managing property for both conservation and public access purposes as described in the Grant Applicant Qualifications section above and has confirmed it has the resources necessary to manage the property.

The Greenhouse Gas Reduction Fund Investment Plan and Communities Revitalization Act (Health and Safety Code (HSC) Sections 39710-39723) requires that GGRF funds be used to (1) facilitate the achievement of reductions of GHG emissions consistent with the California Global Warming Solutions Act of 2006 (HSC Section 38500 et seq., “AB 32”), and (2) to the extent feasible, achieve other co-benefits, such as maximizing economic, environmental and public health benefits and directing investment to disadvantaged communities (HSC 39712(b)). The California Global Warming Solutions Act of 2006 sets forth certain GGRF funding priorities (HSC Section 38590.1).

The California Air Resources Board (“CARB”) has adopted guidelines that establish program goals that agencies must achieve with their GGRF funds. Consistent with the CARB 2024 Funding Guidelines, the proposed project will help the Conservancy meet its GGRF program goals because the project will:

- Facilitate GHG emission reductions (which includes carbon sequestration) and further the purposes of AB 32 and related statutes;
- Maximize economic, environmental, and public health co-benefits to the State;
- Avoid substantial burdens to disadvantaged communities and low-income communities; and
- Encourage projects that contribute to other goals.

The proposed project will meet these objectives by eliminating future residential development and associated utility infrastructure on the property, which will avoid increased GHG emissions and furthers the purposes of AB 32. Protecting the property for conservation and public and

tribal access purposes will also create multiple benefits and contribute to public health by enhancing public access features which may include new trails, low impact camping, picnic area, interpretive signage, and other recreational elements. Finally, the permanent protection of approximately 2,060 acres of coastal habitat advances the State's 30x30 goals.

The second source of anticipated funds is from the General Fund for the purpose of "urgent sea-level rise adaptation and coastal resilience needs." These funds were appropriated to the Conservancy in the Budget Act of 2022 (SB 154, as amended by SB 101), the Budget Act of 2023 (SB 101, as amended by AB 102) and the Budget Act of 2026 (AB/SB113 as amended by SB 101). The coastal resilience funds are available as described in Section 52 of Chapter 258 of the Statutes of 2021, which sets forth a detailed description of the purposes of the coastal resilience funds, including for projects that: protect coastal habitat; build resilience for coastal communities, public access, and critical infrastructure; and projects for non-motorized trails of statewide significance. The proposed project is consistent with this funding source because it will protect approximately 2,060 acres of coastal habitat, enabling future public access and a 5-mile long segment of the California Coastal Trail. The acquisition will also preclude the currently-allowed residential land use that would negatively impact established habitat for important wildlife species. The project is considered urgent because the property has potential for development.

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 proposed project will be undertaken pursuant to Chapter 5.5, Integrated Coastal and Marine Resources Protection of the Conservancy's enabling legislation, Division 21 of the Public Resources Code. Public Resource Code Section 31220(a) authorizes the Conservancy to undertake a project or award grants for coastal watershed projects that meet one or more criteria of Section 31220(b). Consistent with Section 31120(b), the proposed project will (1) protect fish and wildlife habitat within coastal watersheds and coastal waters (Section 31120(b)(2)); (2) reduce threats to coastal and marine fish and wildlife (Section 31120(b)(4)) by avoiding future development; (3) acquire and protect sensitive watershed lands (Section 31120(b)(6)); and (4) provide for public access compatible with resource protection and restoration objectives (31220(b)(8)). Consistent with Section 31220(a), staff has consulted with the State Water Resources Control Board in the development of the project to ensure consistency with Chapter 3 (commencing with Section 30915) of Division 20.4 of the Public Resources Code, regarding the Clean Beaches grant program. Consistent with Section 31220(c), the project is consistent with local watershed management plans and water quality control plans adopted by the State Water Resources Control Board and Regional Water Quality Control Boards (see the "Consistency with Local Watershed Management Plan/State Water Quality

Control Plan” section below), and has a monitoring and evaluation component included in the project.

CONSISTENCY WITH CONSERVANCY’S [2023-2027 STRATEGIC PLAN](#):

Consistent with **Goal 1.1, Commit Funding to Benefit Systemically Excluded Communities**, the proposed project will provide access to tribes and the protection of tribal resources.

Consistent with **Goal 3.1, Conserve Land**, the proposed project will conserve approximately 2,060 acres of coastal lands in perpetuity.

CONSISTENCY WITH LOCAL WATERSHED MANAGEMENT PLAN/STATE WATER QUALITY CONTROL PLAN:

Projects undertaken pursuant to Chapter 5.5 of Public Resources Code Division 21 must be consistent with local watershed management plans, if available, and with water quality control plans, adopted by the state and regional water boards. Public Resource Code Section 31220(c). Acquisition of Wild Cherry Canyon furthers the San Luis Obispo County Integrated Regional Water Management Plan, Ecosystem and Watershed Goal, Objective 2, to preserve, enhance, restore, and conserve riparian corridors and natural creek and river systems through wetland restoration, natural floodplains, riparian buffers, conservation easements, and other mechanisms. Acquiring the property is consistent with this objective. The project is also consistent with the 2024 Water Quality Control Plan for the Central Coast Basin and specifically addresses the following beneficial use objectives: wildlife habitat, estuarine habitat, freshwater replenishment, ground water recharge, agricultural supply, and rare, threatened, or endangered species. The property includes several watersheds draining to the Pacific Ocean, including most of Wild Cherry Canyon, upper Harford Canyon Creek, the headwaters of Rattlesnake Canyon Creek, and the eastern half of the upper Pecho Creek watershed. Acquiring the property is consistent with the objectives in these plans.

CEQA COMPLIANCE:

The proposed acquisition is categorically exempt from review under the California Environmental Quality Act (CEQA) pursuant to Title 14, Section 15325 of the California Code of Regulations, which exempts transfers in ownership of land to preserve open space or habitat, including the acquisition of land to preserve the existing natural conditions. Consistent with this section, the proposed acquisition is a transfer of an interest in land that will preserve open space and existing natural conditions.

The proposed acquisition is also categorically exempt from review under CEQA pursuant to Section 15316, which exempts transfers in ownership of land to establish a park where the land is in a natural condition or contains historical or archaeological resources and the management plan for the park has not been prepared. Consistent with this section, the proposed acquisition

is a transfer of an interest in land in a natural condition to provide for public trails, which are for park purposes, and the management plan has not yet been prepared.

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