

COASTAL CONSERVANCY

Staff Recommendation
April 23, 2026

WEST COYOTE HILLS ACQUISITION

Project No. 18-052-03
Project Manager: Karen Bane

RECOMMENDED ACTION: Authorization to disburse up to \$1,600,000 to the Watershed Conservation Authority for the West Coyote Hills Acquisition, which consists of acquiring approximately 483 acres of West Coyote Hills for protection, restoration, and enhancement of natural and cultural resources and public access compatible with those purposes in Orange County, and to conduct tribal outreach regarding the acquisition.

LOCATION: West Coyote Hills, City of Fullerton, County of Orange

EXHIBITS

- Exhibit 1: Project Location Map
- Exhibit 2: December 2, 2021 Staff Recommendation - West Coyote Hills: Acquisition of Parcel 3
- Exhibit 3: Photos
- Exhibit 4: Project Letters

RESOLUTION AND FINDINGS

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

Resolution:

The State Coastal Conservancy hereby authorizes a grant of an amount not to exceed one million six hundred thousand dollars (\$1,600,000) to the Watershed Conservation Authority for the West Coyote Hills Acquisition, which consists of acquiring approximately 483 acres of West Coyote Hills for protection, restoration, and enhancement of natural and cultural resources and public access compatible with those purposes in Orange County, and to conduct tribal outreach regarding the acquisition, 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, title report, and performance obligation to complete remediation;
 - b. A baseline conditions report;
 - c. Evidence that sufficient funds are available to complete the acquisition; and
 - d. Evidence that a Remedial Action Plan has been approved.
2. The grantee shall pay no more than fair market value for the property, as established in an appraisal approved by the Executive Officer.
 3. The property acquired under this authorization shall be managed and operated for protection, restoration, and enhancement of natural and cultural resources and public access compatible with those purposes (collectively, the “acquisition purposes”). The property shall be permanently dedicated to those purposes by an appropriate 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 publicly viewable area, the design and location of which are to be approved by the Executive Officer.
 5. Before commencement of tribal outreach, the grantee shall submit for the review and written approval of the Executive Officer of the Conservancy (Executive Officer) a detailed work program, schedule, and budget for the tribal outreach.

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 project is consistent with the current Conservancy Project Selection Criteria.

STAFF RECOMMENDATION

PROJECT SUMMARY:

Staff recommends the Conservancy authorize a grant of an amount not to exceed \$1,600,000 to the Watershed Conservation Authority (WCA) for the West Coyote Hills Acquisition, which consists of acquiring approximately 483 acres of West Coyote Hills (the “property”) for protection, restoration, and enhancement of natural and cultural resources and public access compatible with those purposes in Orange County, and to conduct tribal outreach prior to the acquisition (the “project”). This authorization for \$1,600,000 is a portion of the \$30,100,000 of general fund appropriated to the Conservancy for West Coyote Hills that will expire unless it is encumbered in a grant agreement by June 30, 2026. The remaining \$28,500,000 does not

expire until June 30, 2027. Staff anticipates recommending a grant of the remaining amount at a Conservancy meeting in the future.

The acquisition of the property will complete protection of the entire West Coyote Hills (WCH) complex, which consists of a total 510 acres and is one of the last remaining large open spaces in northern Orange County with significant natural and cultural resources and an existing road network for public access (Exhibit 1). The land is a former Chevron oil field and is currently at risk for residential, single-family home development by Chevron-Pacific Coast Homes (PCH). In November 2015, the City of Fullerton approved Vesting Tentative Tract Map 17609, which allowed for the development of 776 homes on the WCH, divided into nine residential neighborhood areas (Exhibit 1). In 2021 the Conservancy authorized \$10,134,450 for purchase of neighborhood area 3 by the City of Fullerton (Exhibit 2). That authorization in combination with a grant from the Wildlife Conservation Board to purchase neighborhood area 1 and the transfer of some development rights by Chevron contributed to the City of Fullerton protecting the eastern portion of WCH (shown as Phase 1 of the WCH acquisition in Exhibit 1). Development of the remaining areas in WCH would destroy and degrade significant habitat and the associated wildlife as well as preclude public and tribal access.

While located outside of the Coastal Zone, the project will help protect Coyote Creek, a tributary in the San Gabriel River watershed, with downstream benefits for coastal and marine resources (Exhibit 1). Keeping the property in open space avoids the water quality impacts of increased urban stormwater runoff.

WCH supports important natural resources and provides significant ecosystem services for watershed protection. With 226 acres of coastal sage scrub habitat, WCH is home to one of the largest populations of California gnatcatchers in Southern California. In addition, WCH serves as habitat for an additional 359 animal and plant species (including least bell's vireo, tricolored blackbird, white-tailed kite, intermediate mariposa lily, and coastal cactus wren).

The property will provide passive, high-quality outdoor recreation in the middle of an urban environment. The existing oil roads (dirt roads used to service oil wells) are approximately 8-10 feet wide and provide natural established trails throughout WCH open space without interrupting the habitat. These trails also provide links to neighborhood access points.

These funds will be used for acquisition in fee simple and for support of tribal outreach prior to acquisition including stipends. Chevron-PCH is offering to sell the remaining property encompassing neighborhood areas 4-9 (shown as Phase 2 and 3 of the WCH acquisition in Exhibit 1) for \$95,000,000, a discount from the appraised value. The proposed authorization of \$1,600,000 is for part of the funds appropriated to the Conservancy for the property, which must be encumbered in a grant by June 30, 2026. The property needs to be remediated to open space standards and Chevron-PCH is seeking approval of a Remedial Action Plan from the Department of Toxic Substances Control and the U.S. Environmental Protection Agency. Staff will return to the Board for authorization of additional funds once a Remedial Action Plan has been approved by the respective agencies. The funds in this authorization will not be deposited into escrow until a Remedial Action Plan has been approved by the respective agencies and an appraisal has been updated. The San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy (RMC), on behalf of the WCA, has initiated outreach to California Native American

tribes whose ancestral homelands include the WCH project area offering to meet to discuss the project and to tour the property. The WCA may provide funds from this authorization to support tribes to participate in meetings prior to acquisition.

Site Description:

The WCH is 510 acres of beautiful rolling hills with views to the San Gabriel Mountains and Pacific Ocean (Exhibit 3). The proposed acquisition of the property consists of 483 acres and includes Assessor's Parcel Numbers 287-082-27 (partial), 287-082-28 (partial), 288-091-13 (partial), 288-091-14 (partial), 288-091-12 (partial), 288-091-13 (partial), 288-091-14 (partial), 288-091-12 (partial), 287-081-24 (partial), 287-081-25, 287-081-26, 287-081-48, 287-081-51, 287-081-52 (partial), 287-081-53, 287-081-54). The land lies in the Coyote Creek watershed which feeds the San Gabriel River. It is in the northwest portion of the City of Fullerton with limited portions bounded by the Cities of La Mirada and La Habra. The surrounding area is a nearly built-out region with a population of more than two million residents. Multiple water reservoirs for the City of Fullerton and the City of La Habra are located along the northern and western WCH boundary. The Robert E. Ward Preserve is located immediately adjacent and to the south/southeast of the eastern half of the West Coyote Hills.

The area is a former producing oil field owned by Chevron-PCH that ceased operations in the early 1990s. The majority of the structures and assets related to the oil field have been removed from the WCH property. There are approximately 220 decommissioned wells connected by roads 8 to 10 feet in width that will be monitored by Chevron-PCH.

Despite the urban context and historical uses of the area, there is extensive and healthy coastal sage scrub habitat supportive of the federally threatened coastal California gnatcatcher, as well as the presence of 359 animal and plant species, including fully protected, threatened, endangered, and sensitive species. These include least bell's vireo; tricolored blackbird; the fully protected white-tailed kite; the coastal cactus wren, and the intermediate mariposa lily. The WCH is a stopover on the Pacific Flyway for migratory birds, and a wintering ground for hawks and harriers. The WCH serves as a regional point of habitat connectivity to the Puente Hills via Brea Creek as well as Coyote Creek to the north.

The area is located within the Central/Coastal Orange County Natural Community Conservation Plan/Habitat Conservation Plan (NCCP/HCP), which focuses on creating a multiple-species, multiple-habitat subregional reserve system and implementing a long-term adaptive management program that will protect coastal sage scrub and other habitats and species within the coastal sage scrub habitat mosaic. The funding for the acquisition will complement the NCCP/HCP and not be used to acquire mitigation lands to offset the impacts associated with the regional plan.

Grant Applicant Qualifications:

The Watershed Conservation Authority (WCA) is a joint powers authority of the San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy (RMC) and the Los Angeles County Flood Control District. The WCA currently owns and operates several park and open space facilities throughout the RMC territory, including Mt Baldy Wilderness Preserve in Claremont, Azusa

Foothills Open Space in Azusa, and Parque Dos Rios in South Gate. At all these properties, WCA maintains and monitors the sites for biological integrity, accessibility, and safety (including wildfire resilience).

The RMC has led negotiations for a purchase and sale agreement between Chevron-PCH and the WCA and has coordinated with funding partners. The RMC has over 20 years of experience managing and implementing grant projects, including land acquisition projects. The RMC also has experience engaging tribes in large projects of the WCA including the Los Cerritos Wetlands Restoration. Staff of the RMC will lead engagement and outreach with tribes on behalf of the WCA for the West Coyote Hills Acquisition.

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 proposed project to acquire 483 acres of land in the WCH is a good investment of state resources because (1) it will contribute to meeting the state's land conservation goals as required by the Governor's 30 x 30 Executive Order; (2) it will advance state and regional water quality improvement goals; (3) it will help protect state and federal endangered and threatened species; and (4) it will support public trail recreation in the future once the property is remediated.

3. Project includes a serious effort to engage tribes.

The Conservancy and RMC, a funding partner, sent a joint letter to California Native American tribes whose ancestral homelands include the WCH project area offering to meet to discuss the project and to tour the property. In coordination with WCA, RMC will continue to have meetings with interested tribes to learn about their potential interests in cultural resource protection, stewardship, and access. The WCA may provide funds from this authorization to support tribes to participate in meetings prior to acquisition. Once acquired, a land management and public access plan will need to be developed in consultation with tribes, the public, and agencies.

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

This acquisition will permanently protect open space for habitat and cultural resources and public access. Once the entire property has been acquired, WCA will prepare a resource management and access plan in consultation with the public, tribes, and agencies.

5. Project delivers multiple benefits and significant positive impact.

The protection of WCH will provide a wide variety of benefits to the local and regional community, including aesthetic, recreational, educational, economic, and ecological benefits. WCH serves as a regional point of habitat connectivity to the Puente Hills via Brea Creek as well as Coyote Creek to the north, representing a critical refuge for coastal sage scrub communities and species like the Coastal California Gnatcatcher, Intermediate Mariposa Lily, and Cactus. This acquisition will reinforce local wildfire resilience by preventing development into an area with high fire hazard severity risk. The protection of the natural habitat will also benefit the region’s water sustainability and climate resilience, particularly regarding drought and flooding. The proposed project will eliminate additional urban sprawl in the area with benefits to water quality in the watershed and in coastal and marine waters and result in less energy demand than development that otherwise would have occurred, thereby reducing greenhouse gas emissions. In addition, the existing roads will provide recreational trail use without disturbing the existing coastal sage scrub habitat and the largest population of California gnatcatchers in Southern California.

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

The WCH acquisition has generated community and government attention and participation for over 40 years. Starting in 2017, the nonprofit Friends of Coyote Hills worked with former Senator Josh Newman and Assemblymember Sharon Quirk-Silva to secure acquisition funding, culminating in \$6 million in 2022 for the acquisition of the easterly side of the property. Subsequently, Senator Newman and Assemblymember Sharon Quirk-Silva secured \$28.5 million of General Fund for West Coyote Hills. Proposition 4 includes \$25 million for WCH. The project has the added support of Senator Tom Umberg, City of Fullerton’s Mayor Fred Jung and Councilmember Ahmad Zahra, all of whom have been key proponents in protecting the property from development.

The Friends of Coyote Hills continues to advocate for funding and to build direct community connection to the WCH through public programs such as interpretive nature walks and volunteer trail cleanup events. Looking forward, Friends of Coyote Hills is sponsoring collaboration of University of California Irvine scientists, the City of Fullerton, and the Watershed Conservation Authority to develop a shared vision for holistic restoration and long-term stewardship of WCH informed with stakeholder perspectives.

PROJECT FINANCING

Coastal Conservancy	\$1,600,000
U.S. Fish and Wildlife Service	\$10,000,000
Future Anticipated Funding	
Coastal Conservancy	\$51,625,000
Other	\$15,000,000
Current Funding Gap	\$16,775,000

Project Total

\$95,000,000

The anticipated source of Conservancy funds for this authorization is the fiscal year 2017-2018 appropriation to the Conservancy from the General Fund for WCH. The Budget Act of 2023, Chapter 12, Statutes of 2023 (SB 101), as amended by the budget trailer bill Chapter 38, Statutes of 2023 (AB 102), reappropriated the \$1,600,000 for the same purpose. Future authorizations for the acquisition will include funding from a 2021-2022 appropriation to the Conservancy from the General Fund in the amount of \$28,500,000 designated for WCH, as well as \$23,125,000 from the fiscal year 2025/2026 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.

The U.S. Fish and Wildlife Service has awarded \$10,000,000 from its Section 6 grant program to the Wildlife Conservation Board for the project. Additional funds are anticipated from the RMC and the Wildlife Conservation Board. The RMC is working to fill the current funding gap while WCA will hold title to the property. The funding gap may be slightly higher than \$16,775,000 if some of the funds in this authorization are needed for tribal outreach prior to the acquisition.

The purposes of the original funds are in a senate bill that did not become law: SB 714 (2017). The 2017-2018 General Fund appropriated funding to the Conservancy, as described in SB 714, for the following

“(a) The purchase by the conservancy of the 510-acre West Coyote Hills project site, which is located in the northwest area of the City of Fullerton adjacent to the Robert E. Ward Nature Preserve that encompasses 72.3 acres west of Euclid Street, and is generally bounded on the north by the City of La Habra, on the east by Euclid Street, on the west by the City of La Mirada, and on the south by Rosecrans Avenue and residential development, and through which Gilbert Street extends in a northerly direction through the east-central portion of the project site.

(b) Projects undertaken, and grants awarded, in the West Coyote Hills area by the conservancy for the purpose of meeting the following objectives:

(1) To improve public access to, within, and around hills, 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.

(2) To protect, restore, and enhance natural habitats and connecting corridors, watersheds, scenic areas, and other open-space resources of regional importance.

(3) To promote, assist, and enhance projects that provide open space and natural areas that are accessible to urban populations for recreational and educational purposes.”

The proposed project is consistent with the funding source because it will be used to purchase, conserve, and provide access to WCH.

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.

All pre-acquisition costs except for tribal outreach are being funded by RMC.

CONSISTENCY WITH CONSERVANCY'S ENABLING LEGISLATION:

Chapter 5.5 of Division 21, Integrated Coastal and Marine Resources, authorizes the Conservancy to undertake coastal watershed and coastal and marine habitat water quality, sediment management, and living marine resources protection and restoration projects or award grants for those projects, to improve and protect coastal and marine water quality and habitats.

Consistent with Section 31220(a), Conservancy staff consulted with the State Water Resources Control Board to ensure consistency with Chapter 3 (commencing with Section 30915) of Division 20.4 of the Public Resources Code.

The proposed project, acquisition of property in WCH, is consistent with Section 31220(b)(1) relating to reducing contamination of waters within the coastal zone or marine waters. The proposed project will protect water quality for Coyote Creek, a tributary to the coastal draining San Gabriel River watershed, by eliminating the risk of stormwater runoff from urban development.

The project is consistent with Section 31220(b)(2) relating to the protection or restoration of fish and wildlife habitat within coastal and marine waters and coastal watersheds. Acquisition of the property for preservation and management as open space will protect fully protected, threatened, endangered, and sensitive wildlife species, including the California gnatcatcher.

The project is consistent with Section 31220(b)(6) relating to the acquisition, protection, and restoration of coastal wetlands, riparian areas, floodplains, and other sensitive watershed lands, including watershed lands draining to sensitive coastal or marine areas. The proposed project will acquire and protect plant and wildlife habitat and provide water quality benefits for the Coyote Creek/San Gabriel River watershed, a coastal draining watershed.

The project is consistent with Section 31220(b)(8) relating to providing public access compatible with resource protection and restoration objectives. The proposed project will open existing roads to the public for trails.

The proposed project is also consistent with Section 31220(c), which requires projects funded pursuant to the chapter to include a monitoring and evaluation component. The WCA will maintain and monitor the property for biological integrity, accessibility, and safety.

Section 31220(c) requires projects to be consistent, if relevant to the project, with an integrated watershed management program (31220 (c)(1)); a local watershed management plan (31220(c)(2)); and water quality control plans adopted by the State Water Resources Control Board and regional water quality control boards (31220(c)(3)). Consistent with subsections (c)(1) and (c)(2), the proposed project is consistent with the North Orange County

Integrated Regional Water Management Plan and the Coyote Creek Watershed Management Plan.

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

Consistent with **Goal 3.1 Conserve Land**, the proposed project will protect 483 acres of land under threat of development.

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

The purchase of 483 acres of land in WCH meets the goals of Coyote Creek Watershed Management Plan, which states "...the Coyote Hills serve important watershed, as well as habitat functions, both of which can only be further compromised by additional habitat loss and fragmentation. If conserved, Coyote Hills will constitute the most significant natural open space within a vast sea of humanity in the Coyote Creek Watershed."

The proposed project is consistent with the following Coyote Creek Watershed Management Plan goals and objectives for WCH:

Land

L-1. Habitat: Restore, maintain, and protect habitat quality and quantity.

L-3. Open Space: Enhance open space opportunities for the public.

Water

W-3. Water Quality: Protect groundwater resources to maximize beneficial uses

The *North Orange County Integrated Regional Water Management Plan*, which was last updated in 2018, addresses 241,000 acres (376 square miles) encompassing the Northern Orange County Watershed Management Area, which includes the Coyote Creek watershed. One of the goals in the plan is: Restore Ecosystems and Improve Native Habitats. Acquisition of West Coyote Hills is the only project listed that addresses this goal.

CEQA COMPLIANCE:

The project is categorically exempt from review under the California Environmental Quality Act (CEQA), pursuant to Title 14 of the California Code of Regulations, Section 15325 (Transfers of Ownership of Interest in Land to Preserve Existing Natural Conditions and Historical Resources), which exempts transfers of ownership of interests in land to preserve open space and habitat, including acquisition, sale, or other transfer to allow preservation and restoration of natural conditions. The project is consistent with this Section because the project includes acquisition of coastal draining watershed lands to allow preservation and restoration of the wildlife habitat and open space.

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

