

COASTAL CONSERVANCY

Staff Recommendation
May 19, 2011

SILVA ACQUISITION (RUSSIAN RIDGE OPEN SPACE PRESERVE)

Project No. 11-014-01
Project Manager: Janet Diehl

RECOMMENDED ACTION: Disbursement of up to \$500,000 to Midpeninsula Regional Open Space District to acquire the 97-acre Silva property for addition to the Russian Ridge Open Space Preserve near the town of La Honda in unincorporated San Mateo County.

LOCATION: Near the town of La Honda, unincorporated San Mateo County

PROGRAM CATEGORY: San Francisco Bay Area

EXHIBITS

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

Exhibit 2: [Site Photographs](#)

Exhibit 3: [Upland Habitat Goals Biodiversity Portfolio 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 the Midpeninsula Regional Open Space District (“the District”) for the purpose of acquiring the Silva Property (San Mateo County Assessor Parcel Number 080-380-030), consisting of approximately 97 acres, for habitat protection, open space protection and public access, subject to the following conditions:

1. Prior to the disbursement of funds for the acquisition, the District shall submit for the review and approval of the Executive Officer of the Conservancy:
 - a. All relevant acquisition documents, including, without limitation, the appraisal, purchase agreement, escrow instructions, environmental assessment, and title report.
 - b. Evidence that sufficient funds are available to complete the acquisition.
2. The District shall pay no more than fair market value for the property, as approved by the Conservancy, based on an appraisal of the property.

3. The District shall permanently dedicate the property for habitat preservation, open space protection, public access and compatible agricultural use through an irrevocable offer to dedicate the property or other instrument approved by the Executive Officer of the Conservancy.
4. The District's conveyance of any interest in or portion of the property acquired is subject to the prior written approval of the Executive Officer of the Coastal Conservancy. With respect to any conveyance for value, any approval will be conditioned on advance agreement between the District and the Conservancy that the District will use the proceeds of the conveyance for the purposes of habitat preservation or public access on the Silva property, or for similar purposes with respect to other property within the Preserves, or for acquisition of nearby parcels.
5. Conservancy funding shall be acknowledged by erecting and maintaining a sign on the property or in a nearby public staging area, the design and location of which to be approved by the Executive Officer."

Staff further recommends that the Conservancy adopt the following findings:

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

1. The proposed project is consistent with the current Project Selection Criteria and Guidelines.
2. The proposed authorization is consistent with Chapter 4.5 of Division 21 of the Public Resources Code, regarding the San Francisco Bay Area Conservancy Program."

PROJECT SUMMARY:

The proposed project will provide a \$500,000 grant to the Midpeninsula Regional Open Space District to purchase and preserve a 97-acre private in-holding within a spectacular 5,000-acre swath of park land in the Santa Cruz Mountains near the town of La Honda (Exhibit 1). When this land is added to the surrounding Russian Ridge Open Space Preserve, visitors will have much easier access to one of the preserve's most exciting destinations, Mindego Hill, which rises to 2,143 feet above sea level as a prominent landmark visible for miles (Exhibit 2). The proposed acquisition also will ensure protection of the headwaters of Alpine Creek, which drains into San Gregorio Creek, known to support steelhead trout.

By acquiring this property, the District will:

- Eliminate the potential for additional fragmented residential development that might degrade the Alpine Creek watershed at the headwaters of San Gregorio Creek;
- Improve its ability to manage its two preserves, which surround the property on all four sides, and
- Improve public access rights with the potential to develop a suitable site for a new public staging area along Alpine Road for the Russian Ridge Open Space Preserve, in particular the 1,047-acre Mindego Ranch addition, which was purchased with Conservancy assistance in 2008.

Mindego Hill, although well connected to the Russian Ridge Open Space Preserve by trail, is a four-mile hike from the main preserve staging area at the corner of Alpine Road and Skyline Boulevard (Highway 35). From the Silva property, however, the hike to the base of Mindego Hill is just 1.5 miles along an existing dirt road. Because this dirt road meets Alpine Road at a point where there is good roadway line-of-sight and a 2.5-acre flat area, the property presents the opportunity for safe public parking.

The Peninsula Open Space Trust (POST) recently acquired the Silva property, seizing the opportunity to fill in the gap between the District's Russian Ridge and Skyline preserves, and to provide better public access to Mindego Hill. Both POST and the District had been concerned that the Silva property would be purchased by a private buyer, as it includes a sizable house with the potential under current zoning to build another residence. POST raised private funds to cover the costs of property acquisition until the land can be transferred to District ownership.

At its May 11, 2011 meeting, the District will have considered committing all the matching funds necessary to acquire the property at \$3,090,000, slightly below its appraised value. If the Conservancy authorizes the proposed grant, the District plans to close escrow by June 30. Following acquisition, District staff will analyze opportunities for public staging and trail use, agriculture, natural resource management and environmental interpretation. After a comprehensive planning process that includes a public workshop and hearings, the District will open the property to the public.

Once the property is acquired, District staff will evaluate the potential for covering the cost of property management and construction of trails and a parking lot by taking advantage of the substantial value of the house and associated facilities on the Silva property. A market analysis and assessment of the most advantageous long-term approach for the residential area of the property will be conducted. Options for study include a long-term lease or a term interest sale. Any term interest sale would include covenants and conditions to ensure that the residential improvements are not expanded from their current building footprint and that the open space character of the property is protected. At the end of the term interest, the residential area would be returned to the District fee ownership. Should the sale of a term interest be the preferred option, the District would commit to the Conservancy to use those proceeds for public access improvements and resource protection on the Silva property or other properties within the surrounding Preserves, or for additional land purchases nearby. The District would provide the Conservancy with an expenditure plan for review and approval, and would follow up with monitoring reports showing the projects funded with the term interest sale proceeds.

Site Description: The Silva property lies near the town of La Honda in unincorporated San Mateo County, about nine miles inland from the Pacific Ocean. It is surrounded on four sides by publicly protected open space – the Russian Ridge Open Space Preserve to the north and west, and the Skyline Ridge Open Space Preserve to the south and east. Close to Silicon Valley, the Silva property is easily accessible from Skyline Boulevard (Highway 35), with almost a mile of frontage along Alpine Road.

Although there is a house and a horse barn on the property, the vast majority of the land is undeveloped. Rolling grasslands, oak woodlands and madrones cover the upper ridges of the property, with dramatic views of Mindego Hill, the San Mateo coast and the surrounding Santa Cruz mountain range. A branch of Alpine Creek has its headwaters on this property, then drains to the west into San Gregorio Creek, which is known to support steelhead trout and is within the

draft designated core habitat area for the recovery of coho salmon. A dense Douglas fir forest rises in the steep canyons on either side of the creek. Several springs are present, providing year-round water. The varied habitat provides a rich resource for many wild animals, including mountain lions, coyotes, badgers and dusky-footed woodrats. Raptors using this property include sharp-shinned hawks, golden eagles and Cooper's hawks – all state-listed threatened or special-status species. The land also affords potential breeding habitat for the long-eared owl, a state species of special concern. The Bay Area Upland Habitat Goals project rates the property as “essential for the conservation goals” of the northern Santa Cruz Mountain region and designates Alpine Creek as a “priority 1” stream conservation target (Exhibit 3).

The property has two driveways off Alpine Road and an internal network of ranch roads. Crossing the upper elevations of the property is the driveway and access road to the Mindego Ranch property, added to the Russian Ridge Open Space Preserve in 2008. The portion of this dirt road that is already within the Preserve boundary serves as the Mindego Trail, open to the public for hiking, equestrian and bicycle use. A 2.5-acre flat area is situated at the eastern end of this road, where it meets Alpine Road. This flat may be suitable for a parking lot and public staging area, due to its size, its location along a public road with good line of sight, and the absence of any nearby private property interests.

Alpine Creek provides a natural divider between the upper driveway/access road to Mindego Ranch and the residential compound, which is accessed by a second driveway lower on Alpine Road. Internal dirt roads provide access to three springs that serve the residential improvements on the property, and two fallow oat and hay fields. One of the cleared fields, about five acres in area, is located below the residential area. The second field, about six acres in area, lies along the northwestern corner of the property.

The property, together with a larger property previously acquired by the District, is subject to a contract entered into under the California Land Conservation Act of 1965 (the Williamson Act) to preserve agricultural uses. Consistent with the Williamson Act, the District will file a notice of nonrenewal, but has represented that it will continue to use the land for agriculture and open space during the ten-year nonrenewal period.

Development on the property is confined to about a two-acre area close to Alpine Road. Improvements include a single family residence built in the late 1970s, a two-car garage, a four-stall horse barn, and a paddock built five years ago without permits, as well as several small sheds. Since the improvements are in serviceable condition, the District plans to use them, at least initially, as a residence for staff or for a private tenant. On-going residential use is complementary to the management objectives of the Russian Ridge Open Space Preserve, is compatible with the open space character of the site and its future potential as a staging area, and is the quickest, most cost-effective way to manage the property, since the occupant will be responsible for maintenance of the site improvements.

Project History: Because its preserves surround the Silva property on all four sides, acquisition of this private in-holding has long been a District priority. The District negotiated a right of first refusal for the Silva property in 2000, at the time when it acquired a 136-acre property across the street from the same owners. The Peninsula Open Space Trust (POST) worked with District staff to assume the right to purchase the Silva property in 2010. POST acquired the property in the fall of 2010, with the intention of selling it to the District when funds became available.

The District currently manages the Silva property as part of the Russian Ridge Open Space Preserve, under a License and Management Agreement with POST. District staff is now seeking matching funds to help it buy the property from POST. If the Conservancy authorizes the proposed grant, the District aims to acquire the Silva property by the end of June.

Since 2001, the District has completed six land purchase projects with support from the Coastal Conservancy, protecting more than 3,000 acres of open space lands in San Mateo and Santa Clara counties. These projects have ranged from protecting redwood groves to filling gaps in the Bay Area Ridge Trail, to preserving the Mindego Ranch, adjacent to the Silva property.

PROJECT FINANCING

Coastal Conservancy	\$500,000
Midpeninsula Regional Open Space District	<u>2,590,000</u>
Total Project Costs	\$3,090,000

The anticipated source of funds for this project is an appropriation from the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006, Public Resources Code section 75001 *et seq.* (“Proposition 84”) for state-wide acquisitions, which can be used for the acquisition and protection of land and water resources consistent with Chapter 4.5 of Division 21 of the Public Resources Code. Consistent with Section 31162(b) of Chapter 4.5 of Division 21, this project furthers the San Francisco Bay Area Conservancy Program’s goal to protect, restore, and enhance natural habitats, as discussed below.

Consistent with Proposition 84 requirements, in evaluating proposed projects that involve acquisition for the purpose of natural resource protection, the Conservancy gave priority to this project because it demonstrates the following characteristics: (1) The property provides a link to existing large blocks of protected habitat; the property is adjacent to an existing open space preserve and will connect protected areas and allow for the movement of wildlife across an approximately 5,000-acre area, which will increase the sustainability of this and surrounding properties (see Public Resources Code Section 75071(a)); and (2) The project funding includes a non-state matching contribution toward the acquisition costs (see Public Resources Code Section 75071(e)).

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

CONSISTENCY WITH CONSERVANCY’S ENABLING LEGISLATION:

This project is undertaken pursuant to Chapter 4.5 of the Conservancy’s enabling legislation, Public Resources Code Sections 31160-31165, to address resource and recreational goals in the San Francisco Bay Area.

The Silva property is located in San Mateo County, one of the nine San Francisco Bay Area counties in which the Conservancy is authorized, under Sections 31160 through 31162 of the Public Resources Code, to undertake projects and award grants to address resource and recreational goals for the region.

Under Section 31162(a), the Conservancy may act to improve public access to ridgetops through completion of regional trail systems. The proposed acquisition will increase the amount of land accessible to the public and will provide a corridor for new regional trails connecting to ridgetop trails.

Under Section 31162(b), the Conservancy may act to protect, restore, and enhance natural habitats and connecting corridors, watersheds, scenic areas, and other open-space resources of regional significance. The proposed project will protect 97 acres of riparian, woodland, and grassland habitat, as well as a highly scenic open space resource that connects to an existing open space preserve.

Consistent with Section 31162(d), the project will provide open space and a natural area that is accessible to the urban population of the San Francisco Bay Area for recreational purposes.

The Silva acquisition satisfies all of the criteria for determining project priority under Section 31163(c), as follows:

1. It is supported by adopted regional plans.
 - This acquisition would meet the goals and objectives of the Midpeninsula Regional Open Space District's Master Plan and Regional Open Space Study. The Master Plan sets forth guidelines for District acquisitions and shows the relative desirability of potential open space preservation without establishing a priority for land acquisition. The Regional Open Space Study shows the general extent of lands and public access improvements existing and under consideration by the District and other park and open space agencies to complete the District's mission. The Silva property is identified as "worth considering for open space protection."
 - The project is consistent with the Implementation Strategy of the San Francisco Bay Joint Venture Acquisition Goals, which prioritizes acquisition of wetland, grassland, and stream habitats.
 - The Upland Habitat Goals Project of the Bay Area Open Space Council identifies the property as part of an area that is essential for biodiversity. The Upland Habitat Goals Project aims to protect biological diversity by drafting a science-based conservation plan for the San Francisco Bay Area, identifying core areas, linkages and compatible use lands to guide protection and restoration activities of public agencies and conservation nonprofits.
 - The project meets the goals and objectives of the San Mateo County General Plan, which designates the property as General Open Space.
2. The project serves a regional constituency, in that the acquisition will help preserve habitat and provide public access for the benefit of the population for the San Francisco Bay Area.
3. The project can be implemented immediately.
4. The project provides benefits that would be lost if the project is not quickly implemented, as discussed in the project selection criteria section below.
5. The Conservancy's funds leverage additional funding by five dollars for every one dollar contributed by the Conservancy.

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

The Silva acquisition will achieve strategic plan goals for both the San Francisco Bay Area Conservancy Program and the Coastal Program, due to the fact that the property includes creeks that drain to the Pacific and is therefore a coastal project as well as a Bay Area project.

San Francisco Bay Area Conservancy Goals:

Consistent with **Goal 10, Objective D** of the Conservancy's 2007 Strategic Plan, the proposed project will result in the acquisition and protection of 97 acres of upland wildlife habitat and other significant open space in the Bay Area.

Consistent with **Goal 11, Objective C**, the proposed project will increase the amount of land accessible to the public and provide a corridor for trails.

Coastal Program Goals:

Consistent with **Goal 4, Objective A**, the proposed project will protect a significant resource property totaling 97 acres.

Consistent with **Goal 5, Objective C**, the proposed project will permanently protect wildlife corridors along the property's creeks and between this property and adjacent parkland.

**CONSISTENCY WITH CONSERVANCY'S
PROJECT SELECTION CRITERIA & GUIDELINES:**

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

Required Criteria

1. **Promotion of the Conservancy's statutory programs and purposes:** See the "Consistency with Conservancy's Enabling Legislation" section above.
2. **Consistency with purposes of the funding source:** See the "Project Financing" section above.
3. **Support of the public:** The project is supported by Congressman Anna Eshoo, State Senator Joe Simitian, Assemblymember Jerry Hill, San Mateo County Supervisor Don Horsley, the San Mateo County Department of Parks, the Committee for Green Foothills, the Peninsula Open Space Trust and others. Letters are attached as Exhibit 4.
4. **Location:** The Silva property is located in San Mateo County, within the jurisdiction of the San Francisco Bay Area Conservancy. The property includes creeks that drain to the Pacific and is therefore a coastal project as well as a Bay Area project.
5. **Need:** The District will consider making a very substantial contribution to the Silva purchase at its May 11, 2011 meeting, but additional funds are needed to complete the acquisition.
6. **Greater-than-local interest:** Acquisition of this property will protect species of national and state-wide concern, while providing significant recreational opportunities for residents of the greater Bay Area. The property will become part of 36,000-acre complex of connected preserves along Skyline Ridge.

7. **Sea-level rise vulnerability:** The property proposed for acquisition is not vulnerable to sea-level rise, as it is located near the ridgeline of the Santa Cruz Mountains at an elevation of approximately 1,800 feet.

Additional Criteria

8. **Urgency:** With a zoning designation that would allow for the construction of an additional house, the Silva property would be especially attractive if it were listed on the private market. It could be lost for public purposes if it is not acquired now by the District.
9. **Resolution of more than one issue:** The project will offer opportunities to protect riparian zones, Douglas fir forests and grasslands located on the Silva property. Acquisition of the property also will expand the Russian Ridge Open Space Preserve and enlarge its wildlife corridor. Finally, acquisition of the property will eliminate threats of development, and will allow for public access.
10. **Leverage:** Conservancy funds will be matched five to one with a local funding source. See the “Project Financing” section above.
11. **Readiness:** The District has put on its May 11, 2011 meeting agenda an item to consider approval of \$2.6 million toward the purchase, and all “due diligence” has been completed. If the Conservancy approves the proposed grant, the District will be ready to close the acquisition by the end of June.
12. **Cooperation:** The project is the result of cooperation among the private sector, the local agency and the Conservancy. POST has acquired the property and has enlisted private support to cover its initial acquisition and management expenses. The District will develop the property and manage it, with support from the Conservancy for the acquisition.
13. **Minimization of greenhouse gas emissions:** No construction projects are planned as part of this proposed land acquisition. The District’s adopted Use and Management Plan for the property calls for maintaining it in its current condition with no changes anticipated.
14. **Vulnerability from climate change impacts other than sea level rise:** Preserving this property will improve landscape-scale connectivity, providing enhanced opportunities for the movement of organisms among fragments of suitable habitat and increasing resilience to future alterations associated with climate change.

COMPLIANCE WITH CEQA:

The proposed acquisition of the Silva property is categorically exempt from the California Environmental Quality Act (CEQA) pursuant to 14 Cal. Code of Regulations Section 15316 as a transfer of land in order to establish a park and Section 15325 as a transfer of ownership of interests in land in order to preserve open space and existing natural conditions, including habitat. The District’s intention to operate, repair and/or lease the existing residence on the property with no intent to expand the existing use is also categorically exempt from CEQA under Section 15301. Upon approval, staff will file a Notice of Exemption for the proposed project.