

COASTAL CONSERVANCY

Staff Recommendation
March 26, 2015

PEDRO POINT HEADLANDS PROPERTY CONVEYANCE

Project No. 14-050-01
Project Manager: Janet Diehl

RECOMMENDED ACTION: Approval of the Pedro Point Headlands Implementation Plan and authorization to 1) transfer three parcels owned by the State on behalf of the Conservancy at Pedro Point Headlands, City of Pacifica, to San Mateo County for open space preservation, natural resource protection and public access; 2) reserve from that transfer approximately 0.6 acres for sale at fair market value to an adjacent private landowner to settle an encroachment dispute, and 3) its Executive Officer to take all necessary steps to implement the transfer and sale.

LOCATION: Pedro Point Headlands, City of Pacifica, San Mateo County (Exhibit 1)

PROGRAM CATEGORY: Public Access

EXHIBITS

- Exhibit 1: [Project Location](#)
- Exhibit 2: [Pedro Point Headlands Implementation Plan](#)
- Exhibit 3: [Staff Recommendation April 19, 1995](#)
- Exhibit 4: [Site Photographs](#)
- Exhibit 5: [Project Letters](#)

RESOLUTION AND FINDINGS:

Staff recommends that the State Coastal Conservancy adopt the following Resolution pursuant to Public Resources Code Sections 31107 and 31400 *et seq*:

“The State Coastal Conservancy hereby: 1) approves the Pedro Point Headlands Implementation Plan, attached as Exhibit 2 to the accompanying staff recommendation, to transfer fee title to three parcels at the Pedro Point Headlands in Pacifica (San Mateo County Assessor Parcel Numbers 023-730-020, 023-730-220 and 023-740-020, collectively “the property”) excepting as described in 2), below, to San Mateo County (“County”) for purposes of public access, natural resource protection and open space preservation; 2) authorizes the reservation of approximately 0.6 acres of the property from transfer to the County and sale at fair market value to an adjacent

property owner to settle an encroachment dispute; and 3) authorizes its Executive Officer to take all necessary steps to implement this transfer and sale of the property.

A. The authorization of the transfer of the property to the County is subject to the following conditions:

1. The County shall hold, operate, use and manage the property for open space preservation, natural resource protection, and public access pursuant to the terms of the Transportation Enhancement Activities Program Agreement Declaring Restrictive Covenants Project Number STPLE-6078 (003), recorded against the property at the time of State acquisition in 1996 as San Mateo County Assessor's Office Document No. 96-030751.
2. Conservancy funding shall be acknowledged by erecting and maintaining on the property a sign that has been reviewed and approved by the Conservancy's Executive Officer.
3. Within one year of acquisition of the property, the County shall install California Coastal Trail emblems provided by the Conservancy on all properties within its jurisdiction that are deemed by the Conservancy to be existing segments of the California Coastal Trail. Emblem locations shall be determined by the County in consultation with the Conservancy.

B. The authorization to reserve and sell the 0.6-acre property ("sale property") to an adjacent property owner ("Buyer") is subject to the following conditions:

1. The California Department of Transportation shall agree to remove its use restrictions from the sale property prior to its transfer to Buyer.
2. With consent of Conservancy, Buyer shall obtain from the City of Pacifica at Buyer's own cost a lot line adjustment and legal description of the sale property.
3. Buyer shall deposit into escrow for the benefit of Conservancy funds equal to the appraised fair market value of the sale property and shall bear all transactional costs associated with the transfer of fee title to the sale property to Buyer."

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 Chapter 3 of Division 21, Section 31107, regarding the transfer of land acquired by the Conservancy and with the purposes and objectives of Chapter 9 of Division 21 (Sections 31400-31410) of the Public Resources Code, regarding the establishment of a system of public accessways to and along the California Coast. .]
2. The proposed project is consistent with the current Project Selection Criteria and Guidelines.
3. The approximately 0.6-acre property does not possess sufficient conservation or public access values to preclude sale for a nonconservation or public access purpose.
4. The project serves greater than local needs."

PROJECT SUMMARY:

Since 1995, the Conservancy has held fee title to property on the southern border of the City of Pacifica in the Pedro Point Headlands (Exhibit 1). Staff recommends that the Conservancy

approve the Pedro Point Headlands Implementation Plan (“Implementation Plan”), attached to this report as Exhibit 2, to transfer all of the property (except a small portion reserved for sale) to San Mateo County (County) for open space and public access purposes, and a sale of a small portion of the property to an adjacent landowner to settle an encroachment dispute.

The purpose of this staff recommendation and the related Implementation Plan is authorization to convey to the County at no cost three parcels totaling approximately 98 acres, for public access, preservation of open space and natural resource protection. In order to accomplish this, a peripheral 0.6-acres first must be conveyed to an adjacent owner, at fair market value, to settle an encroachment dispute (Exhibit 2).

Once the transfers are complete, the County will add the 98 acres to its spectacular, cliff-hugging Devil’s Slide County Park, which ends where the Conservancy’s property now begins. At the same time, the County will accept the adjacent 157 acres of oceanfront open space on Pedro Point that was purchased by the City of Pacifica with support of the Conservancy in 1992. The transfers will fulfill decades of effort on the part of the local community, regional land trusts, and local, state and federal agencies to preserve the Pedro Point Headlands and make the lands accessible to the public. The origins of the decades-long public/private preservation partnership at Pedro Point and the financing of the Conservancy’s and the City’s acquisitions are described in the 1995 staff recommendations attached as Exhibit 3.

The Conservancy has owned the Pedro Point Headlands properties for 20 years now, and has granted funds to the Pacifica Land Trust to enlist the community in volunteer small-scale habitat restoration projects and minor improvements to the “social” trails that run through the property. However, the Conservancy has limited resources to manage land. It is a high priority to transfer these properties to an agency with the capacity to protect their ecological resources and provide improved public access.

If the Conservancy approves the Implementation Plan, the transfer to the County could be completed by the end of 2015. When the property is in County ownership, the County and local partners will pursue various funding sources for construction of the Coastal Trail from Devil’s Slide through the Headlands, to connect with seven miles of Coastal Trail in the City of Pacifica. Habitat restoration projects on a larger scale can also be pursued once the Pedro Point property is in County ownership. The Pacifica Land Trust recently received a \$1.14 million grant to re-vegetate scars left on the Headlands from its days of use as a motorcycle club. The County has agreed to serve as the lead agency for this major project, but not until it owns the land.

The approximately 0.6-acre piece of property to be conveyed to the neighboring landowner extends like a finger from the main portion of the Conservancy lands, and is bordered on all sides by the back yards of 10 private property owners (Exhibit 2, Exhibit B). This property does not have value for park or habitat purposes, and poses management problems. It is neither accessible nor visible from the part of the Headlands that is used as a park. It is overgrown with non-native plants and has no value as a habitat corridor as it connects only to private back yards and houses. A recent aerial photograph showed several cases of encroachment by neighbors that had not been visible by staff monitoring the property by foot. The County has requested that the property line be re-drawn so it will not have to accept this sliver of land as part of the Pedro Point property transfer.

In order to avoid further staff costs to resolve these encroachments, and to be able to interest an agency in accepting title to the Pedro Point property, staff has pursued a lot-line adjustment and a sale to a neighbor at fair market value. A 2014 appraisal commissioned by Conservancy staff valued the approximately 0.6-acre portion of property at \$56,000, based on the amount that the addition of this acreage would add to a neighbor's property (it could be conveyed only to a neighbor via a lot line adjustment because it does not meet the City's subdivision requirements for a new lot). The neighbors offered to purchase the property at the appraised fair market value, and to bear all the costs of the lot-line adjustment as well as all transactional costs.

Site Description: The Pedro Point Headlands is a large promontory located at the southern edge of the City of Pacifica, 15 miles south of San Francisco. While a small portion of Pedro Point is developed with houses, the Conservancy owns approximately 98 acres as permanently protected open space, and the City of Pacifica owns an adjacent 157 acres purchased with Conservancy funding. Protected public land extends directly to the south at Devil's Slide County Park, opened to the public in 2014 (Exhibits 1 and 4).

The land rises almost vertically from the ocean to a height of 625 feet, where the bluff-tops provide a spectacular view of the coastline north to Point Reyes, south to Devil's Slide, and east to Montara Mountain and the Santa Cruz Mountains. The only level land on the 255 acres owned by the Conservancy and the City is found at the top of the ridgelines and the floor of the main valley. Informal trails run along these level bluff-top areas and down through the valley, connecting to an informal six-foot-wide trail that runs parallel to Highway One.

The Coastal Trail alignment will utilize this existing informal trail once access rights are acquired from the one private property owner that separates the Headlands from the City of Pacifica to the north. To the south, the trail alignment connects to the 1.2 miles of paved Coastal Trail at Devil's Slide County Park. When the Coastal Trail is completed through the remaining private property, it will connect seven miles of existing Coastal Trail segments in Pacifica to the Coastal Trail at Devil's Slide.

The Pedro Point residential neighborhood climbs the slopes of San Pedro Mountain on the west side of Highway 1. One-of-a-kind homes have been built there on impossibly narrow and steep streets. Twisted cypress and Monterey pine cling to the hillsides. At the foot of the coastal side of the mountain, hidden from view to all but walkers, is a tiny village called Shelter Cove. North of the Headlands, San Pedro Terrace Road supports mixed commercial uses, and the Linda Mar Boulevard shopping mall is a half mile to the north, across Highway One.

Aside from its recreational value, the Headlands provide habitat that supports the health of local coastal plant and animal species. Its usefulness as wildlife habitat is enhanced by its proximity to other open spaces and protected lands. The Bay Area Upland Habitat Goals Project rates the Pedro Point Headlands as an "area essential to the Conservation Goals" of the Santa Cruz Mountains North landscape unit. The lands owned by the Conservancy and the City host healthy communities of native vegetation, including areas of reed-grass prairie, which has been identified by the California Department of Fish and Wildlife as a rare plant community type. The proposed Coastal Trail segment will not be near this plant community.

Project History: The Conservancy's involvement in the Pedro Point Headlands began in 1989, when staff joined the Trust for Public Land and the Peninsula Open Space Trust (POST) to provide technical assistance to Pacifica residents in establishing a local land conservation

organization, the Pacifica Land Trust. The Land Trust immediately turned its attention to the Headlands, which was threatened at the time with a subdivision plan for 217 units. With the assistance of POST, the Pacifica Land Trust reached agreement with the owners of the Pedro Point property on a phased acquisition plan. In August 1992, the Conservancy granted the City of Pacifica funds for the first phase of the acquisition, and authorized the Conservancy to act as co-optionee with the Land Trust for a purchase option for the remaining adjacent parcels in a second phase. In 1995, the Conservancy provided funds to match a federal grant and acquired fee title to the remaining parcels (Exhibit 3).

Since then, two obstacles have faced the development of a public park at Pedro Point: How will the public safely access the property, and who will manage it? Before Devil's Slide County Park was opened in 2014, access to the Conservancy's and City's land could only be gained through a dirt road that turns off of Highway One with unsafe sightlines. As for management, the words that were written in the 1995 staff report to the Conservancy have proven to be true for the past two decades: "While there is almost universal consensus that the property is of great significance for its great beauty, resource and open space value and location near a major metropolitan area, it has been difficult in a period of economic stagnation and government revenue decline to secure a government entity that is willing and able to accept new management responsibilities."

When Devil's Slide County Park was opened, however, the public could finally access the adjacent Headlands properties from the County's safe parking lot. The time became right to transfer the Headlands properties to a park agency that was willing and able to accept new management responsibilities. The County Park Department had won glowing accolades for its design, construction and management of the Coastal Trail and its support facilities at Devil's Slide. The County's willingness to expand its park by accepting the Pedro Point Headlands properties made it clear to City and Conservancy staff that the best course of action would be to transfer the Headlands to County Parks.

PROJECT FINANCING:

The proposed authorization does not involve a grant of Conservancy funds. Most of the Conservancy's property will be conveyed at no cost to the County, except for any closing costs. The 0.6-acre portion of the property will be conveyed to the adjoining property owners at the appraised fair market value, \$56,000, with all transactional costs paid by the Buyer. The sale property was originally funded in part with funds from the Transportation Enhancement Activities Program ("TEA"), and in part with Conservancy funds. Regarding the portion of the sales proceeds from TEA (88% of \$56,000 or \$49,280), the California Department of Transportation (CalTrans) elects to have the Conservancy deposit these funds in a special deposit account restricted for future improvements to the Pedro Point property exclusively. The portion of Conservancy funds (12% of \$56,000 or \$6,720) returned through the sale will be returned to the original bond source.

CONSISTENCY WITH CONSERVANCY'S ENABLING LEGISLATION:

Public Resources Code § 31107 requires the Director of General Services (DGS) to lease, rent, sell, exchange, or otherwise transfer land at the Conservancy's request, provided that the request

is pursuant to an approved implementation plan. In addition, section 31107.1 requires DGS and the Conservancy to develop appropriate procedures for land transfers and other property transactions. DGS and the Conservancy entered into a Memorandum of Understanding Concerning Real Property Transactions (MOU) in 1990 setting forth these procedures. The MOU requires the Conservancy to adopt a “property disposition plan” that consists of or is an element of an implementation plan required by section 31107 and that includes certain findings. The Implementation Plan attached as Exhibit 2 constitutes a property disposition plan and contains the findings required by the MOU. Thus, the Implementation Plan is consistent with the MOU. Accordingly, it is appropriate for the Conservancy to approve the Implementation Plan, and authorize its Executive Officer to request that DGS transfer the property in accordance with the plan.

Public Resources Code Section 31400 directs the Conservancy to have a principal role in the implementation of public accessways to and along the state’s coastline. To this end, Public Resources Code Section 31400.3 authorizes the Conservancy to “provide such assistance as is required to aid public agencies and nonprofit organizations in establishing a system of public coastal accessways, and related functions necessary to meet the objectives of this division.” Transferring the Pedro Point Headlands property to the County for purposes of open space, natural resource protection and compatible public access is consistent with these provisions because it will facilitate public access on land along the coast, while protecting the natural resources of the property for public enjoyment. The project will serve the recreational needs of tourists from all over the Bay Area and beyond, as well as local residents.

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

Consistent with **Goal 1, Objective E** of the Conservancy’s 2013-2018 Strategic Plan, the proposed project would secure the Pedro Point Headlands property to facilitate the development of the California Coastal Trail.

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 October 2, 2014, 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. **Promotion and implementation of state plans and policies:** By securing property that will facilitate the development of the Coastal Trail, the proposed property conveyance project serves to promote and implement several state plans, including:

- *Coastal Act (1976)*, Public Resources Code Sections 30210 and 30214 on public access and recreation that call for “maximum access, which shall be conspicuously posted, and recreational opportunities shall be provided for all the people consistent with public safety needs and the need to protect public rights, rights of private property owners, and natural resource areas from overuse.”
 - *Completing the California Coastal Trail Report (2003, Coastal Conservancy)*, which identifies the design and construction of a trail on the landward portion of the Pedro Point Headlands as a priority action (page 47 #3).
4. **Support of the public:** This project has broad public support, as evidenced in letters from Senator Jerry Hill, Assemblymember Kevin Mullin, San Mateo County Supervisor Don Horsley, San Mateo County Parks and Recreation Commissioner Neil Merrilees and staff from the Parks Department, the Golden Gate National Recreation Area, the Pacifica Land Trust, the Committee for Green Foothills, and others (Exhibit 5).
 5. **Location:** The proposed project is located within the coastal zone of San Mateo County.
 6. **Need:** Because the Conservancy has limited capacity to manage the Headlands property, it is a high priority to transfer this property to an agency with the capacity to protect the ecological resources and provide improved public access.
 7. **Greater-than-local interest:** Transfer of this property to the County would provide recreational opportunities to the tens of thousands of people throughout the state who visit the adjacent Devil’s Slide County Park. It also will enable an existing gap to be filled in the California Coastal Trail, which has been designated at the state and federal level as a Millenium Legacy Trail.
 8. **Sea level rise vulnerability:** The proposed project area is not vulnerable to sea level rise, as it is located on the top and the inland sides of the Pedro Point Headlands, which rise to 625 feet above sea level.

Additional Criteria

9. **Urgency:** The Pacifica Land Trust recently received a \$1.14 million grant to revegetate scars left on the Headlands from its days of use as a motorcycle club. The Land Trust needs a public agency to serve as the lead agency for this major project. The County has agreed to do this, but not until it owns the land.
10. **Readiness:** If the Conservancy approves the proposed project, the property conveyances should be completed by year’s end.
11. **Realization of prior Conservancy goals:** See “Project History” section, above.
12. **Return to the Conservancy:** See “Project Financing” section, above.
13. **Cooperation:** This project is the result of decades of cooperation among the private sector, local, state and federal agencies and the Conservancy.
14. **Minimization of greenhouse gases:** The proposed project will not result in the production of greenhouse gas emissions. Transfer of the property to the County will result in management and maintenance being carried out by an agency that does not have to travel far, as it already manages the adjacent property. The County’s stewardship of the property will result in fewer

miles traveled than if Conservancy staff had to travel 30 miles from Oakland to inspect the property on a regular basis.

CONSISTENCY WITH LOCAL COASTAL PROGRAM POLICIES:

The proposed project is consistent with the County of San Mateo's Local Coastal Plan, specifically with:

- Policy 10.9, which calls for providing safe access to shoreline destinations, and
- Policy 11.13, which establishes a trails program for the Coastal Zone with the objective of linking existing and proposed recreation facilities along the coast.

Consistent with these policies, the proposed property transfer will link the Pedro Point Headlands to an existing park facility at Devil's Slide County Park. Transfer of the property to the County will allow for the development of safe trails, including the Coastal Trail, where scenic views will be protected, blufftop erosion will be decreased, the public will have access to the shoreline for recreation, and existing park properties will be linked.

COMPLIANCE WITH CEQA:

The proposed conveyance is categorically exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to 14 California 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. Consistent with Section 15316, a management plan has not yet been prepared.

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