COASTAL CONSERVANCY

Staff Recommendation September 14, 2023

COYOTE VALLEY CONSERVATION AREAS MASTER PLAN

Project No. 23-035-01
Project Manager: Vanessa Aczon

RECOMMENDED ACTION: Authorization to disburse up to \$1,188,000 to Santa Clara Valley Open Space Authority to prepare a draft master plan, and conduct community engagement to inform the draft master plan, for approximately 1,550 acres of conserved lands in Coyote Valley, Santa Clara County.

LOCATION: Coyote Valley, San Jose, Santa Clara County

EXHIBITS

Exhibit 1: Project Location Map

Exhibit 2: Project Photos
Exhibit 3: 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 one hundred eighty-eight thousand dollars (\$1,188,000) to Santa Clara Valley Open Space Authority ("the grantee") to prepare a draft master plan, and conduct community engagement to inform the draft master plan, for approximately 1,550 acres of conserved lands in Coyote Valley, Santa Clara County.

Prior to commencement of the project, the grantee shall submit for the review and written approval of the Executive Officer of the Conservancy (Executive Officer) the following:

- 1. A detailed work program, schedule, and budget.
- 2. Names and qualifications of any contractors to be retained in carrying out the project.
- 3. A plan for acknowledgement of Conservancy.

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 4.5 of Division 21 of the Public Resources Code, regarding San Francisco Bay Area Conservancy Program.
- 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 up to \$1,188,000 to Santa Clara Valley Open Space Authority (OSA) to prepare a draft master plan, conduct community engagement to inform the draft master plan, and conduct preliminary environmental analysis for approximately 1,550 acres of conserved lands in Coyote Valley, Santa Clara County (Exhibit 1).

The Santa Clara Valley was once a flourishing landscape filled with oak woodlands, oak savannas, grasslands, streams lined with riparian forest, and wetland complexes, that intricately linked the Santa Cruz Mountains to the west, and the Diablo Range to the east. Over time, the area underwent agricultural and urban development, and the unique valley-floor habitats underwent significant transformation and fragmentation. Coyote Valley, which is situated within the larger Santa Clara Valley is often referred to as a "last chance landscape," as it is now one of the few remaining intact valley floors that serve as a vital connection between the two mountain ranges, allowing wildlife to freely migrate, find mates, and adapt to climate change. While Coyote Valley plays a significant role in connecting the ecosystems of the two mountain ranges, it is also recognized for its scenic beauty rich in biological diversity; is home to endangered species such as the California tiger salamander and the Bay checkerspot butterfly; is a source of the region's water supply and quality, acting as a natural floodplain; and offers communities opportunities for hiking, bird-watching, and wildlife observation. As such, Coyote Valley has become a top priority for open space conservation.

Coyote Valley is now mostly protected from development; however, the landscape is the legacy of decades of development speculation and neglect, dominated by hay fields, and afflicted with aging infrastructure built for agricultural uses that no longer exist and/or development that failed to come into fruition. To move forward in a new vision for the restoration, use, and management of Coyote Valley, the OSA is leading a public planning process to define the future of Coyote Valley, which will ultimately lead to the creation of the Coyote Valley Conservation Areas Master Plan (CVCAMP). The CVCAMP will create a roadmap for implementing wildlife linkages, restoring water resources and habitats, support climate resilient agriculture, and provide equitable public access on Coyote Valley's protected lands. Public access improvements may include more hiking trails, staging and parking areas, restrooms, scenic viewpoints, wildlife-viewing areas, farmstands, and interpretive features. Public participation in the

development of the CVCAMP is critical to meet OSA's goal in ensuring that communities can connect to the benefits of what Coyote Valley can offer.

In 2022, OSA completed an Outreach and Engagement Plan that outlines public outreach, education, and engagement activities for the in-progress preparation of the draft CVCAMP, which is divided into nine major phases:

- Phase 1: Project Start-Up & Data Review
- Phase 2: Site Inventories & Assessments
- Phase 3: Preliminary Visioning
- Phase 4: Concept Alternatives Development
- Phase 5: Preliminary Environmental Planning Integration
- Phase 6: Preferred Alternative & Early Implementation Project Selection
- Phase 7: Draft Master Plan Document Preparation
- Phase 8: Environmental Review
- Phase 9: Early Implementation Projects Planning & Design

The project will conduct community engagement activities, which will inform phases three through seven, conduct preliminary environmental analysis, which comprises Phase 5, and will complete a draft Master Plan, which comprises Phase 7.

The project includes Tribal and community engagement activities, which consist of hosting listening sessions that will focus on the open space needs and experiences of community groups serving diverse populations, small-group and general public workshops, and surveys to gather input on restoration vision and objectives, concept and preferred alternatives.

After completion of the project, the grantee will perform environmental review, and the draft master plan will be revised into a finalized master plan.

Site Description: Coyote Valley is an important rural and largely agricultural area that is located at the southern edge of San Jose, in Santa Clara County. It is nestled between the Santa Cruz Mountains to the west, and the Diablo Range to the east, serving as a vital natural resource area with diverse ecosystems and abundant wildlife, including at least a dozen rare and endangered species such as the California red-legged frog and the western burrowing owl. The land ownership in Coyote Valley is a combination of private entities, government agencies, and conservation organizations, including OSA, Peninsula Open Space Trust, and the City of San Jose. The area is located less than twenty miles from downtown San Jose, and is accessible by car, bike, and public transit. Coyote Valley is also adjacent to several transportation corridors, including U.S. Highway 101 and State Route 85.

The approximately 1,550-acre proposed project site is located within the Coyote Valley Conservation Program Area, which was established in 2019 by California State Assembly Bill 948, that defined Coyote Valley as a resource of statewide significance. The site is primarily dominated by agricultural lands with riparian corridors, and seasonal wetlands. The project site is divided into two geographic areas:

- The North Coyote Valley Conservation Area encompasses approximately 953-acres of conserved lands in North Coyote Valley, including the historic Laguna Seca, San Jose's largest remaining seasonal freshwater wetland. As being the narrowest portion of Coyote Valley, this area has the highest potential to serve as a critical wildlife corridor connecting the Santa Cruz Mountains and Diablo Range.
- The Mid-Coyote Valley Conservation Area encompasses approximately 600 acres of conserved natural and working lands. Although the existing preserve itself is not a focus of this proposed project, public access connections to and through the preserve to other areas in Coyote Valley, and the role the preserve plays in the larger context of Coyote Valley will be considered in the master plan.

Grant Applicant Qualifications: The OSA is a public, independent special district created by the State Legislature in 1993, which plays a vital role in conserving and protecting open space lands, preserving agricultural lands, and promoting a healthy environment for all. Their jurisdiction includes the cities of Campbell, Milpitas, Morgan Hill, San Jose, Santa Clara, and the unincorporated areas of Santa Clara County. Since their formation, OSA has protected nearly 29,000 acres of land through fee acquisition, conservation easements, contributions to partner projects, and management agreements. They actively collaborate with various stakeholders, including government entities, landowners, community organizations, and residents to seek input from diverse perspectives, ensuring that projects align with community needs and values. The OSA has been awarded numerous grants from various agencies, including California Natural Resources Agency, US Fish and Wildlife Service, Department of Conservation, and Metropolitan Transportation Commission. The OSA has also successfully completed several projects in cooperation with the Conservancy, such as the Sobrato South Acquisition, Coyote Ridge Acquisition, and the Coyote Valley Open Space Preserve Use and Management Plan and Public Access Improvement projects.

Additionally, OSA will be responsible for long-term management, maintenance, and monitoring of any projects implemented within the project site. With OSA's combination of diverse expertise, collaborative approach, financial management, and commitment to conservation, they are well qualified to move forward with this proposed project.

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.

Providing funding to the proposed project is a good investment of state resources because it will provide a comprehensive land-use planning and effort aimed at restoring and enhancing the Coyote Valley region. It will focus on protecting natural resources, improving water quality, promoting sustainable agriculture, and creating recreational, educational, and employment opportunities. The project is feasible with an experienced lead agency, who has been working in coordination with community partners, and local and state government to protect and preserve the area for decades. The project aligns with the state's broader goals of mitigating climate change effects, and reducing greenhouse gas emissions, while also planning to meet the California's "Pathways to 30x30"—a statewide plan to protect 30% of the state's land and water by 2030. The project will specifically meet the 30x30 pathway to "expand and accelerate environmental restoration and stewardship" of lands already protected from development.

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

Prior to the commencement of the project's official launch in 2021, OSA staff, including their Tribal Liaison, proactively reached out to Tribal representatives to invite Tribes traditionally and culturally affiliated to the project area to help shape the project's planning process. In June 2020, OSA staff invited Tribal representatives and their families to tour the landscape of Coyote Valley and discuss opportunities for partnership. This initial gathering has resulted in on-going collaborations, such as OSA working with a Tribe on a resolution in support of federal recognition of the Tribe. OSA has also hosted both in-person and virtual events in Coyote Valley with Tribal representatives. The focus of the initial meetings was not solely to engage Tribes in the CVCAMP's planning process, but to also build a solid foundation for future collaboration efforts for near and long-term stewardship of protected lands throughout OSA's jurisdiction. Through the CVCAMP, OSA intends to work with the three Tribes on cultural resource preservation and interpretation, and to identify opportunities for traditional stewardship, cultural practices, and co-management of cultural and natural resources on the project site.

Currently, OSA is partnering with Tribes on efforts elsewhere in Coyote Valley that will serve as precedents for the CVCAMP, highlighting OSA's commitment to fostering strong relationships and partnership with Tribes.

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

The project will continue to deliver benefits over an extended time period, as it will help plan approximately 1,550 acres of conserved land, carefully balancing restored habitats, working lands, and public access areas and amenities. The CVCAMP's preliminary goals has been drafted with resilience and sustainability at its core, ensuring long-term effectiveness and adaptability to changing climate conditions over the years, such as sustainable farming and water management practices. OSA and the CVCAMP consultant team will apply an

adaptive management approach, which will consist of creating a preliminary landscapescale monitoring and adaptive management strategy early in the planning process to ensure successful implementation of the CVCAMP. The initial outline will be developed into a full landscape-scale management, maintenance, and monitoring by 2025.

5. Project delivers multiple benefits and significant positive impact.

The project will deliver multiple benefits and significant positive impact as it will plan for enhancing wildlife habitat & connectivity, developing sustainable water resources management, boosting local economy, creating sustainable transportation, fostering ongoing and inclusive community engagement, working closely with Tribal communities, and improving water quality and groundwater recharge, public health, public access, and climate resilient agriculture.

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

Since the beginning of the project launch in 2021, OSA has engaged in meaningful community outreach through listening sessions, in-person, and virtual events, public meetings and workshops, and online surveys. CVCAMP engagement will continue to feature a combination of digital and in-person avenues that will allow the public to provide their interests and aspirations for Coyote Valley. Over the course of the next five years, OSA will continue to conduct robust and inclusive engagement utilizing their CVCAMP Outreach and Engagement Plan to guide their efforts.

Community support for the CVCAMP, and for broader efforts to restore and conserve natural and working lands in the Santa Clara Valley region is reflected in several local and state policies, such as:

- San Jose's Measure Q (2014) that allocates funding for acquisition and preservation
 of open space, farmland, and natural habitats. This resulted in the allocation of
 financial resources to protect and conserve land in Coyote Valley from development
 pressures;
- San Jose's Measure T (2020) that included funding for up to \$50,000,000 in land conservation acquisitions in Coyote Valley;
- San Jose's General Plan, whereby City Councilmembers amended the policy document to be consistent with prior public and private investment in conservation and agriculture for climate resilience for Coyote Valley (2021); and,
- California Assembly Bill 948 authored by Assemblymember Ash Kalra, the aforementioned bill that recognizes Coyote Valley for its crucial importance to the state (2019).

PROJECT FINANCING

Coastal Conservancy	\$1,188,000
Department of Water Resources	\$510,000
Wildlife Conservation Board	\$350,000

Project Total	\$3,745,000
Santa Clara Valley Open Space Authority	\$1,247,000
Private donation	\$100,000
County of Santa Clara	\$350,000

OSA will be engaging in cost-sharing for the project, contributing an estimated total of \$1,247,000.

The anticipated source of Conservancy funding for this proposed project is a FY 2022/2023 appropriation from the General Fund specifically for the purpose of climate resilience (Budget Act of 2022, SB 154, Chapter 43, Statutes of 2022). Section 52 of Chapter 258 of the Statutes of 2021 indicated that this fund source could be used for projects for the purpose of the SF Bay Area Conservancy Program established pursuant to Chapter 4.5 (commencing with Section 31160) of Division 21 of the Public Resources Code. The proposed project is consistent with the goals of the San Francisco Bay Area Conservancy Program as discussed below in the "Consistency with Conservancy's Enabling Legislation" section below.

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 is consistent with Chapter 4.5 of Division 21 of the Public Resources Code, which establishes the San Francisco Bay Area Conservancy Program. All references in this section are to the Public Resources Code.

Pursuant to Section 31162, the Conservancy may award grants in the nine-county San Francisco Bay Area that will help to achieve certain goals, including improving public access to and around the Bay, protecting and enhancing natural habitats, connecting corridors, and open space resources of regional importance, and promoting projects that provide open space and natural areas accessible to urban populations for recreational purposes. The proposed project is located entirely within Santa Clara County, one of the designated nine counties of the San Francisco Bay Area.

Consistent with Section 31162(a), the proposed project will plan for improved equitable public access to and within urban open spaces, which may include the construction of more hiking trails, parking areas, and restrooms, without having a significant adverse impact on agricultural operations and environmentally sensitive areas and wildlife.

Consistent with Section 31162(b), the proposed project will plan for restoration and enhancement of Coyote Valley, connection of wildlife corridors, scenic areas, and other open-space resources of regional importance.

Consistent with Section 31162(d), the proposed project will plan for improvement and enhancement of open space and natural habitats that are accessible to urban populations for recreational and educational purpose.

CONSISTENCY WITH CONSERVANCY'S 2023-2027 STRATEGIC PLAN:

Consistent with **Goal 1.1, Systemically Excluded Communities**, the proposed project will conduct community outreach and engagement activities with systemically excluded communities. The communities' interests and feedback will be integrated into the master plan.

Consistent with **Goal 1.3, Meaningful Engagement**, the proposed project will meaningfully engage with systemically excluded communities throughout the master planning process, including offering in-person and digital meeting formats, and developing materials in appropriate languages and messages for communities.

Consistent with **Goal 1.4, Workforce Development,** the proposed project will plan to leverage the potential of the conserved lands to support the local economy by promoting green jobs and workforce development.

Consistent with **Goal 3.2, Restore or Enhance Habitats**, the proposed project will plan to restore and enhance diverse habitats, safe wildlife corridors, and functional ecological connectivity.

Consistent with **Goal 4.3, Nature-Based Climate Adaptation**, the proposed project will plan to restore the historic Laguna Seca wetland, support local regenerative agriculture, and enhance biodiversity by reestablishing safe wildlife corridors that will help maintain wildlife populations and genetic diversity.

CEQA COMPLIANCE:

The proposed project is statutorily exempt from review under the California Environmental Quality Act (CEQA) pursuant to 14 California Code of Regulations (CCR) Section 15262 and categorically exempt under 14 CCR section 15306, because it involves only feasibility and planning studies, basic data collection and research, and resource evaluation, none of which will impact any environmental resource(s) and all of which will be undertaken as part of a study leading to possible future action that has not yet been approved, adopted, or funded. Upon approval of the project, Conservancy staff will file a Notice of Exemption.