

SANTA CLARA VALLEY  
**HABITAT CONSERVATION PLAN/NATURAL COMMUNITY CONSERVATION PLAN**  
*Stakeholder Group Meeting | April 24, 2007 | Morgan Hill Community & Cultural Center*

**IN ATTENDANCE:**

*Stakeholder Group Members:*

Keith Anderson (South Valley Streams for Tomorrow)  
Nancy Bernardi (Guadalupe-Coyote Resource Conservation District)  
Jack Bohan (representing General Public)  
Kevin Bryant (California Native Plant Society)  
David Collier (Sierra Club)  
Craig Edgerton (Silicon Valley Land Conservancy)  
Justin Fields (Santa Clara County Cattlemen's Association)  
Jan Hintermeister (Santa Clara County Parks and Recreation Commission)  
Virginia Holtz (League of Women Voters)  
Bob Loveland (Representative of general public)  
Peter Mirassou (Agriculture/Landowner)  
Kenn Reiller (Pajaro River Watershed Council)  
Jack Sutcliffe (Santa Clara County Farm Bureau)  
Lloyd Wagstaff (The Nature Conservancy)

**I. WELCOME, INTRODUCTIONS & OBJECTIVES**

Joan welcomed the group and noted that Carolyn Tognetti and Bob Power would not be able to attend. Joan is also working with Tim Steele to identify a replacement for him.

**II. PRESENTATION ON THE COST MODEL OVERVIEW**

Sally Nielsen of Hausrath Economics Group presented on the draft HCP budget. Sally noted that both her firm and Jones & Stokes had conducted similar analyses for other HCPs; this forms some of the basis for this draft budget.

Craig asked whether the stakeholder group had a role in making decisions regarding the budget, or whether the presentation was simply for informational purposes. Sally responded that some group members might have a direct effect on what the numbers were—for instance, if their organization has special knowledge of an area—but by and large, the Management Group will be determining the cost factor. Ken Schreiber noted that the budget is an agenda item in part to expose group members to this information and in part to ensure that the budget is in check with reality. He noted that the model was especially complex so that it can be used as a tool once the plan is in place—for instance, if costs are diverging from the model, those managing the plan will be able to look at the model to see if this is across the board or in one particular area, and will better understand how to adjust to accommodate this change.

The stakeholder group will see this model again as it is further developed. Sally also noted that the budget model was being developed in close collaboration with the wildlife agencies and other stakeholders.

Keith asked about a line item for funding habitat management or restoration on private lands outside the reserve system. Sally agreed that this was not in the budget, as this is not anticipated as an HCP action. Keith feels it is still important to include funds for this in the budget. Ken Schreiber noted that the reserve system is limited to protecting land in perpetuity, and that is virtually impossible to guarantee on private property. It will be difficult to “get credit” for actions on private land. This doesn't mean that there won't be HCP actions

on private land or with private landowners, but these actions may not be a part of the formal conservation strategy.

Lloyd noted that an easement was simply a tool to protect land in perpetuity. For today's discussion, it makes sense to exclude actions on private land not protected formally, though this should be revisited once we're actually developing HCP actions.

Sally noted that it would probably not be necessary to do a separate analysis for cost factors of actions on private lands unless the cost was likely to be dramatically different than taking this same action on preserve land.

David Collier wondered how flexible the easement tool is—can it be used, for instance, to guarantee permission to flood or burn an area, with no other rights? Sally noted that the budget model doesn't specify the range of types of easements being considered.

Ken Schreiber noted that the plan should involve some level of public access, perhaps by trails or docent-led activities, the public will be happier with the use of public funds for open space. Ken also noted that he would send the budget spreadsheet out to people to look at to better understand it.

Kenn Reiller asked about collaboration potential with respect to budgeting—for instance, can software be coordinated? Sally noted that they could take budgets from any source and adapt them to yield crucial information (e.g., if an agency knows their budget is \$2 million to manage their land, the consultants can assess how much land and what types of actions, and extrapolate to find an action per acre cost factor).

Ken Schreiber noted that the budget model currently uses a fifty-year permit term. However, this has not yet been determined, and this issue will come back to the stakeholder group. Craig asked if the budget included cost for protection in perpetuity. Yes, it does; the assumption is that there may be an endowment fund that will finance this cost.

Sally will send out the beginning and the assumptions page, which will give stakeholders a sense of the level of detail for cost factor assumptions.

Keith had an additional question: at the end of the plan period, does a partner agency have the option of walking away from the in perpetuity costs? Ken Schreiber believes they cannot do this—the contract commits each partner in perpetuity.

Craig asked whether the agencies and developers had any role in calculating the costs and fees associated with the budget. Are there political decisions to make here, or is the budget being determined independently? Ken Schreiber replied that it's not safe to assume that any particular interest group is "on board" yet, but many groups may have interest in looking at the numbers to understand where they came from.

### **III. PRESENTATION ON THE FUNDING BASE ANALYSIS**

Sarah Graham of MuniFinancial presented on the analysis of potential funding for the HCP. Keith asked who MuniFinancial reported to. Their contract is with Santa Clara County, and Hausrath is a sub to MuniFinancial. They are responsible for the funding and financing side.

Keith asked whether specific funds like the Water District's enhancement fund, etc., were included in the list of potential funding sources. No, not specifically—but there's a general category to cover available local resources.

Sarah will present on specific funding alternatives today, but will discuss the broader alternatives at later points in the process. The comprehensive list includes funding and financing strategies.

Craig asked why easements were listed as a funding source. This is because land with an easement may pass into the preserve category, and thus may generate funds in that context. In select cases, there may also be an endowment associated with an easement. Costs commonly include funding for an endowment.

Ken Schreiber noted that the Open Space Authority had a special assessment approved by the voters, and it was challenged. It is now in the State Supreme Court, where there is no requirement to examine it in a timely manner, so it may be some time before this is reviewed. Virginia clarified that there are two special assessment districts—one has already been tested in the courts and found successful.

Jack Sutcliffe noted that there was an extensive range of potential fees—does MuniFinancial have a sense of where the Santa Clara plan might fall? Sally's team is currently working on the cost, while MuniFinancial is looking at the funding. They need to bring these two ends together before they can identify these conclusively. This will likely come to the Stakeholder Group on June 26<sup>th</sup>. Keith asked if this meant that there would be an impact assessment ready by then as well, since we will need to know the magnitude of the mitigation. This is scheduled to come to the Stakeholder Group in May and June.

Lloyd noted that it might be time to bring the Coyote Valley Specific Plan (CVSP) back into the conversation, since this is a sizable chunk of land. Ken Schreiber asked that the group wait for Darryl Boyd to return to the room to discuss this. After Darryl returned, Lloyd continued by noting that the CVSP might have been a valuable tool but it's now off the table. Darryl noted that the CVSP still needs to mitigate its impacts, so they may be interested in coordinating those efforts in some manner.

Lloyd asked how economic incentives might fit into this picture. MuniFinancial hasn't looked at this closely yet, although they have consulted with the Water District on existing funding programs. Lloyd suggested that water management and incentives be closely considered.

Jan wondered about the restrictions on state and federal funding. These restrictions come from the state and federal governments, since they do not allow use of their funds for mitigation. Thus, other revenue streams are more useful since they can be used for whatever's most appropriate.

David Collier wondered about a program in Chicago where farmers allowed their land to go fallow and could gather additional funds by using the land as carbon-based units for carbon offsets. Could this be used as part of a cap and trade program?

Craig noted that this might have negative consequences—it's not necessarily a clear win. David Collier suggested that perhaps any funding from the cap program could be applied to protecting new lands outside of the original time of the HCP.

Craig also asked that the Integrated Regional Watershed Management Plan on the Pajaro River be included as a model.

Keith asked whether the funding could accommodate a decision to, say, operate Pacheco Reservoir in perpetuity. This might fall under an indirect payment or activity that contributes to revenue. These are difficult to quantify, but MuniFinancial is attempting to include them in the funding model.

#### **IV. COYOTE VALLEY SPECIFIC PLAN: EIR UPDATE**

Darryl Boyd gave an update on the Coyote Valley Specific Plan. The public comment period on the EIR has been extended by 30 days. There is an upcoming public meeting on May 2<sup>nd</sup> at 3 pm at the Camden Community Center. The early time is to accommodate agency staff. He encouraged stakeholders to review the document, which is available on the project website. Information regarding the public meeting is also available online.

Lloyd noted that the technical document made reference to hydraulic models, and wondered if he could have these to explore. Darryl will confer with him offline on this.

Craige mentioned an upcoming meeting on May 6<sup>th</sup> regarding wildlife corridors through Coyote Valley. He will send this information out electronically.

Ken Schreiber noted that many of the local partners have strong interests in the Coyote Valley area, and many do not agree. Based on a Management Team decision, Ken Schreiber and David Zippin have committed to not becoming involved in the CVSP process because many of the partners are the same and there may be some conflicts of interest. Ken would like to keep the CVSP out of the HCP/NCCP discussions as much as possible, except where it specifically affects HCP/NCCP actions or outcomes. Instead, stakeholders and their associated groups should participate in the CVSP process directly through the many opportunities to provide comments.

## **V. UPDATE ON LIAISON GROUP ACTIVITIES**

The next Liaison Group meeting is June 14<sup>th</sup> at San Jose City Hall from 5:30 to 9 pm to allow the group to get into the conservation goals and objectives.

Ken noted that areas outside of the study area include the Baylands, Milpitas out to Alameda, the urban developed flatlands (Campbell, Los Gatos, etc.), and the western hillsides. Originally, the study area was based just on the four watersheds in the county, but was then expanded to include other areas as well, including all of the city of San Jose except their Baylands. The Management Team concluded there was not a huge need to extend the Habitat Plan into those four areas—much of the land is already developed in some areas, and much of the open space is already protected. The Liaison Group decided to hold off making any decisions on whether or not to expand the Habitat Plan.

Cory Mustin of Fish and Wildlife noted that there are opportunities to expand the area that is covered, but the wildlife agencies do not anticipate requirements to cover or protect these areas.

Ken also provided an update on project status. The original schedule called for taking three alternative strategies from the Liaison Board in June to the elected bodies over the summer. Instead, this presentation will include information on impacts and costs, permit term, conditions, and more, and will be brought to the elected bodies in October instead.

Review by the elected bodies will occur in late fall and early winter instead of over the summer. This may be a difficult time for review, but it's important to try to keep it there so that the feedback can come back in time for the plan to be pushed back only two months. It seemed important to push this back in order for the elected bodies to have all of the critical information for review.

## **VI. UPDATE ON PUBLIC INVOLVEMENT**

Karen Molinari presented an update on public involvement. Feedback and questions from outreach efforts are added to the information on the website, and she encourages stakeholders to continue presenting to their groups and communities.

The next community meeting is Wednesday, September 26, 2007 in Morgan Hill. Karen also distributed a sheet for interested stakeholders to sign up for presentations at their organizations.

## **VII. PUBLIC COMMENT AND NEXT STEPS**

One guest noted that the appendices were still not available at the library, and need to be.

The next meeting will be at the usual time, 4 pm to 6:30 pm, on May 22, 2007.