



Midpeninsula Regional
Open Space District

Memorandum

DATE: April 11, 2018

MEMO TO: MROSD Board of Directors

THROUGH: Ana Ruiz, AICP, Acting General Manager *[Signature]*

FROM: Joshua Hugg, Governmental Affairs Specialist

SUBJECT: State budget request to support District purchase of San Jose Water Company land

SUMMARY

Senator Beall and Assemblymember Kalra submitted the attached letter to the Senate and Assembly Budget Committee Chairs requesting \$10 million from the Habitat Conservation Fund (HCF) to support the purchase of the San Jose Water Company lands in the Upper Guadalupe and Los Gatos Creek watersheds (Attachment 1).

BACKGROUND

Passage of the District-sponsored bill SB 492 (Beall) in October 2017 has enabled the District to begin the groundwork to acquire 6,350 acres of San Jose Water Company lands in the Upper Guadalupe and Los Gatos Creek watersheds (Attachment 2). Preliminary cost estimates for the acquisition exceed District allocations. Therefore, outside funding is critical to enable the purchase. Desiring to assist with completing the transaction, Senator Jim Beall formulated a state budget allocation request of \$10 million to be drawn from the state's Habitat Conservation Fund to supplement District funds. He has also, with District assistance, recruited Assemblymember Ash Kalra to put forward a parallel request in the State Assembly to increase its chances of passage. Co-signing the request are many of the legislators who supported SB 492:

- Senator Jerry Hill
- Assemblymember Kevin Mullin
- Assemblymember Marc Berman
- Assemblymember Mark Stone
- Assemblymember Kansen Chu

NEXT STEPS

District staff will actively support the offices of Senator Beall and Assemblymember Kalra in recruiting support from local and state partners, as well as meeting with state legislators as necessary.

ATTACHMENTS

1. Budget request letter to Senate and Assembly Budget Committee Chairs
2. Map of San Jose Water Company lands under consideration

CALIFORNIA LEGISLATURE

STATE CAPITOL
SACRAMENTO, CALIFORNIA
95814

March 22, 2018

Senator Holly Mitchell
Chair, Senate Budget Committee
State Capitol, Room 5080
Sacramento, CA 95814

Senator Bob Wieckowski
Chair, Budget Subcommittee No. 2
State Capitol, Room 3082
Sacramento, CA 95814

Assemblymember Phil Ting
Chair, Assembly Budget Committee
State Capitol, Room 6026
Sacramento, CA 95814

Assemblymember Richard Bloom
Chair, Budget Subcommittee No. 3
State Capitol, Room 2003
Sacramento, CA 95814

RE: Allocate \$10 Million from Habitat Conservation Fund

Dear Senators Mitchell and Wieckowski and Assemblymembers Ting and Bloom,
We, the undersigned members of the California State Legislature, request \$10 million be appropriated from the Habitat Conservation Fund to the Midpeninsula Regional Open Space District (Midpen) to support the implementation of SB 492. This fund was created specifically to preserve critical habitat that provides important wildlife habitat linkages and other important conservation values.

Signed into law last year, SB 492 is a district bill coauthored by eight Bay Area legislators and supported by local environmental groups and cities, including San Jose and Campbell. The bill helps facilitate the sale of San Jose Water Company's (SJWC) land holdings in the Upper Guadalupe, Los Gatos, Saratoga Creek watersheds to Midpen.

The regional public benefit derived from the acquisition is significant -- it would protect approximately 6,300 acre-foot of fire-prone, vital watershed lands. With the increased risk in the state due to extreme fires and their impacts on public safety and water quality and supply, it is critical to allow the transfer of the Upper Guadalupe and Los Gatos Creek watersheds into protected public open space in perpetuity.

SJWC's portfolio includes 96 parcels, encompassing some of the largest watersheds in the Bay Area. Runoff from the watershed replenishes Lake Elman, a large reservoir that is also fed by Los Gatos Creek. The property is surrounded by publicly protected lands including over 20,000 acres owned by the Midpen; over 52,000 acres owned by the Santa Clara County Parks system; 10 reservoirs managed by the Santa Clara Valley Water District, and thousands of acres of state park properties.

These watershed lands are also located in the Critical Linkages Conceptual Area Protection Plan (CAPP) and contain important wildlife corridors, critical habitat, valuable species, water supply to nearby populations, and other environmentally significant value. A transfer enables several open space trails to be linked, such as the Bay Area Ridge Trail, providing the public with access to spectacular scenery. This area on the southern end of the San Francisco Peninsula also enables landscape level habitat linkages for several important species, like mountain lions, bobcats, badgers, and grey fox, to the Diablo Range in the east, as well as the Gabilan Range to the south.

SJWC's holdings include over 1,000 acres of redwood forest. The potential for commercial timber harvests poses a threat to water quality and supply, fire management, critical species, and California's efforts to reduce greenhouse gases via the logging of pristine Redwoods. A commercial timber harvest also could significantly impact publicly protected lands that surround the water company's holdings, thereby affecting hundreds of thousands of nearby residents. Given the potential for significant erosion, loss of redwood habitat and reduction in carbon sequestration that would result from logging, the acquisition of these properties to Midpen pursuant to SB 492 provides the best opportunity to address fire, water quality, and habitat values of the property.

These state funds would be wedded with local funds -- up to \$28 million from Measure AA -- a source of local taxpayer funds to protect important public resources. With a state match of \$10 million, the property would be protected in perpetuity as a valuable State and local resource, providing fire protections, water quality, water supply, and habitat benefits for generations to come.

For all these reasons, we respectfully request that you consider this budget allocation request of \$10 million.

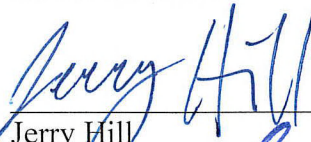
Sincerely,



Jim Beall
Senate District 15



Ash Kalra
Assembly District 27



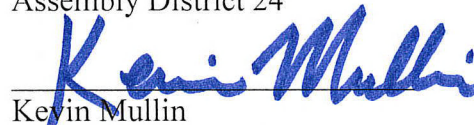
Jerry Hill
Senate District 13



Marc Berman
Assembly District 24



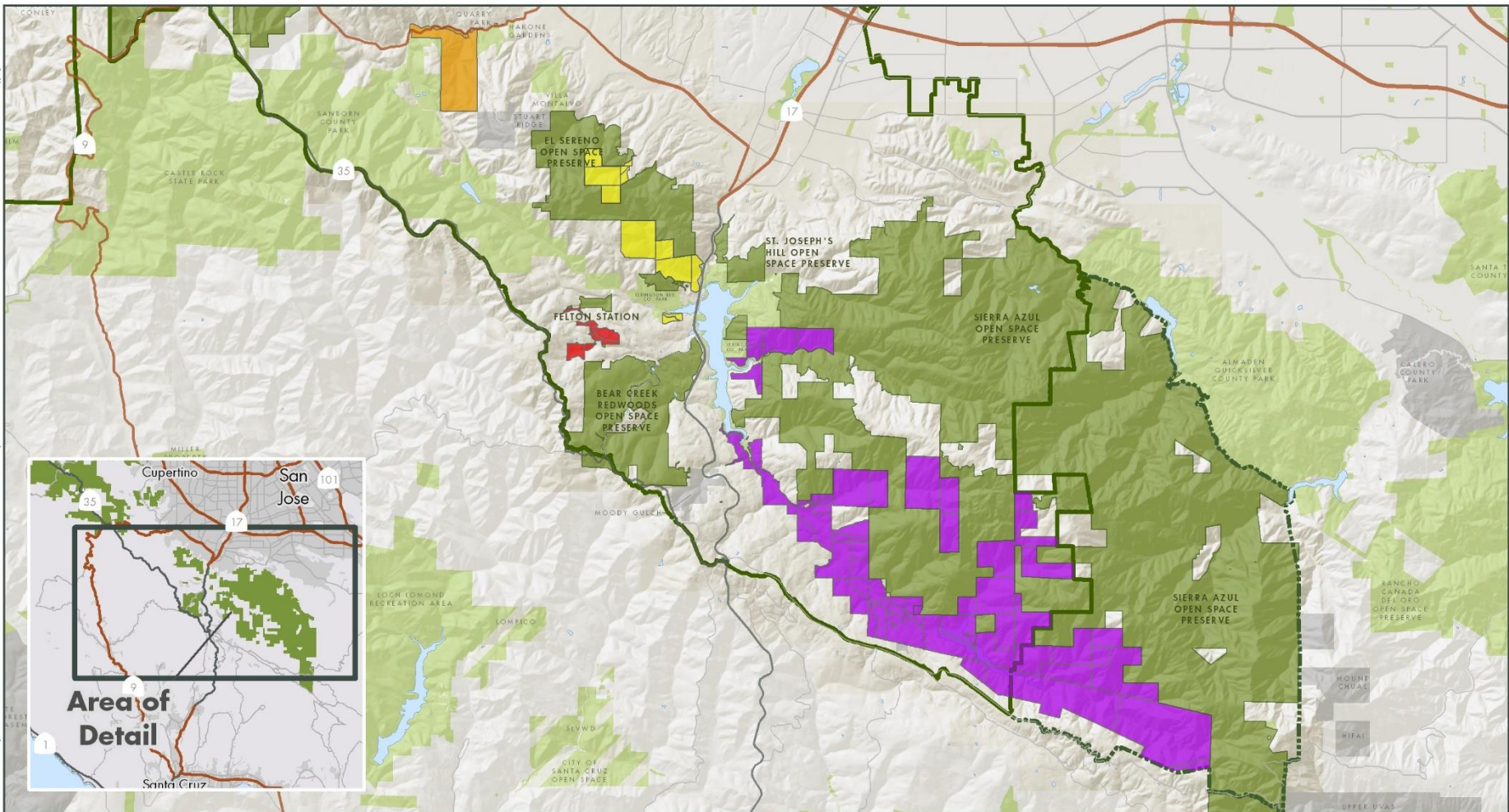
Kansen Chu
Assembly District 25



Kevin Mullin
Assembly District 22



Mark Stone
Assembly District 29



San Jose Water Property

Los Gatos Creek Area Parcels (5278.78 acres)
 Howell Area Parcels (101.99 acres)

El Sereno Parcels (543.42 acres)
 Hwy 9 Parcels (415.46 acres)

MROSD Sphere of Influence
 MROSD Boundary

Midpeninsula Regional
 Open Space District
 (MROSD)
 January 2017



While the District strives to use the best available digital data, these data do not represent a legal survey and are merely a graphic illustration of geographic features.