



Midpeninsula Regional
Open Space District

R-26-140
Meeting 26-24
September 23, 2026

AGENDA ITEM 7

AGENDA ITEM

Grant Funding from the California State Coastal Conservancy for the Highway 17 Wildlife and Trail Crossings Project, the El Sereno Loop Trail and a Connector Trail to the Highway Overcrossing

GENERAL MANAGER'S RECOMMENDATION

Adopt a resolution authorizing the General Manager to enter into a grant award agreement for \$4,000,000 awarded by the California State Coastal Conservancy for the Highway 17 Wildlife and Trail Crossings Project, the El Sereno Loop Trail and a Connector Trail to the highway overcrossing.

SUMMARY

The General Manager recommends that the Midpeninsula Regional Open Space District (District) Board of Directors (Board) adopt a resolution authorizing the General Manager to enter into a grant award agreement for \$4,000,000 awarded by the California State Coastal Conservancy (SCC). This grant would provide critical funding for construction of the Highway 17 Wildlife and Trail Crossings Project, the El Sereno Loop Trail (aka Spooky Knoll) and a Connector Trail to the highway overcrossing. SCC requires a Board resolution to accept grant funding prior to awarding the \$4,000,000 in funds. The resolution (Attachment 1) authorizes the General Manager or their designee to sign the resolution for SCC funds and execute a grant agreement for the funding.

DISCUSSION

In alignment with the 2023 update to the SCC Strategic Plan, grant funding is available for public access projects in alignment with SCC's Goal 2: *Enjoy the Coast*, specifically within the objectives to *Build Trails* that expand and/or connect with regional trails and to *Enhance Recreational Amenities*, including restrooms, parking, paths, and similar. After consulting with the San Francisco Bay Area Region of the SCC, the Highway 17 Wildlife and Trail Crossings Project was determined as a strong fit for this funding. Grants staff submitted a proposal and were notified in July 2026 that the project will be recommended to the SCC board on September 17, 2026, for funding under their Fiscal Year 2027 budget allocation.

Highway 17 is a major barrier to landscape connectivity for both people and wildlife as it traverses the Santa Cruz Mountains, linking Santa Clara County and the San Francisco Bay Area to the California Central Coast. With more than 75,000 daily vehicles, the highway carries heavy

recreational, commuter, and commercial travel and prevents completion of a key complex gap in the 550-mile Bay Area Ridge Trail. This highway also fragments wildlife habitat within a Critical Linkages area.

For people, the highway blocks connections between existing trail systems on both sides of the corridor, including segments of designated Ridge Trail within El Sereno Open Space Preserve to the west, and the Los Gatos Creek Trail to the east that connects to nearby neighborhoods and the Jones Trail in St. Joseph's Hill Open Space Preserve.

For wildlife, Highway 17 fragments more than 30,000 acres of protected habitat and creates a dangerous crossing point identified by the California Department of Fish and Wildlife as one of the state's top priority connectivity barriers and a hotspot for wildlife-vehicle collisions. Wide-ranging species such as mountain lions and American badgers are particularly affected. Mountain lions experience regular mortality near the project area. The Santa Cruz Mountains mountain lion population was designated Threatened under the California Endangered Species Act in February 2026 due in part to low genetic diversity, making improved connectivity across the highway critical for the long-term health of the species. American badgers, listed as a California State Species of Special Concern due to declining populations statewide, would also benefit from open space connectivity.

Funding from this grant opportunity would support the construction of the planned multi-use trail overcrossing, and the 2.1-mile segment inclusive of El Sereno Loop Trail and the connector trail from El Sereno Loop Trail to the overcrossing's western end point. These trail additions will create a new continuous 7.1-mile segment of the Ridge Trail.

SCC requires a resolution from the District's Board to accept grant funding prior to awarding the \$4,000,000 in funds. The resolution (Attachment 1) authorizes the General Manager or their designee to sign the resolution for SCC funds and to execute a grant agreement for the funding. SCC does not require a deed restriction for this opportunity.

Additional revenue beyond the SCC grant is required to cover the total estimated construction cost for the highway overcrossing (\$35,500,000) and the El Sereno Loop Trail and Connector Trail (\$913,000). The combined cost, not including in-kind District support, is \$36,408,000.

The District's Measure AA funding commitment for the construction phase is \$10,937,000 (rounded: \$5,478,500 for the undercrossing; \$5,458,500 for the overcrossing) and \$224,373 for the El Sereno Loop Trail and Connector Trail. Thus, an additional \$25,250,000 (rounded) is needed.

A majority of these funds, \$19,220,000, are anticipated from external sources. Awarded grants to date include funding from the SCC (\$4,000,000), Metropolitan Transportation Commission (\$750,000), and federal community project funding (\$400,000). The District's \$12,070,000 grant request to the Wildlife Conservation Board is still pending and is expected to be recommended at their November board meeting. The Peninsula Open Space Trust board is scheduled to consider a \$1,000,000 request in January 2027. The Wildlife Conservation Network prefers to be a 'late-stage gap closer'; while a request for \$1,000,000 has been made, they will make a formal decision on the amount in January.

If all the pending requests are funded in full, the funding gap will be \$6,000,000. No new public grant funding opportunities are expected to be available in time to apply and have an executed grant agreement without postponing the project's construction schedule. There are some private funding opportunities that Grants staff are continuing to pursue. Any remaining unfunded amounts are expected to be supported through a combination of future reallocation requests, interest income allocations, and Fund 40 – General Fund Capital monies. If necessary, in late January/early February 2027, staff will make a request to the Board to authorize additional funding. All funding commitments are needed by February 2027 to confirm with Valley Transportation Authority (VTA), the project's delivery partner, that the project is fully funded, enabling them to prepare the construction bid package.

FISCAL IMPACT

Upon final approval by SCC, this funding opportunity would have a positive impact of \$4,000,000.

PRIOR BOARD OR COMMITTEE REVIEW

None

PUBLIC NOTICE

Public notice was provided as required by the Brown Act.

CEQA COMPLIANCE

The Highway 17 Wildlife and Regional Trail Crossings Project along with the El Sereno Loop Trail and the Connector Trail to the Highway Overcrossing were analyzed pursuant to the California Environmental Quality Act (CEQA) in the Highway 17 Wildlife and Regional Trail Crossings and Trail Connections Project Initial Study with Mitigated Negative Declaration/ Environmental Assessment, adopted by Board Resolution No. 24-25 on August 28, 2024.

NEXT STEPS

If approved by the Board, and final approval by SCC, District staff will work with SCC staff to develop a grant agreement for grant funding that the General Manager can execute.

Attachment

1. Resolution of the Board of Directors of the Midpeninsula Regional Open Space District Approving the Funding for a State Coastal Conservancy Grant for the Highway 17 Wildlife and Trail Connections Project, the El Sereno Loop Trail and the connector to the trail overcrossing.

Responsible Department Head:

Stefan Jaskulak, Chief Financial Officer, Administrative Services

Prepared by / Staff contact:

Carol Schimke, Grants Program Manager, Administrative Services

RESOLUTION NO. 26-__

RESOLUTION OF THE BOARD OF DIRECTORS OF THE MIDPENINSULA REGIONAL OPEN SPACE DISTRICT AUTHORIZING THE GENERAL MANAGER TO ENTER INTO A GRANT AWARD AGREEMENT FOR \$4,000,000 AWARDED BY THE STATE COASTAL CONSERVANCY FOR THE HIGHWAY 17 WILDLIFE AND TRAIL CROSSINGS PROJECT, THE EL SERENO LOOP TRAIL, AND THE CONNECTOR TO THE TRAIL CROSSING

WHEREAS, funds were made available to the State Coastal Conservancy (SCC) to support public access projects in alignment with SCC’s Goal 2: Enjoy the Coast;

WHEREAS, SCC awarded Midpeninsula Regional Open Space District (District) \$4,000,000 on for the purpose of constructing the Highway 17 Wildlife and Trail Crossings Project, the El Sereno Loop Trail and the connector to the trail crossing;

NOW, THEREFORE, BE IT RESOLVED that Midpeninsula Regional Open Space District hereby:

- 1. Authorizes the General Manager to execute a grant agreement with the SCC for \$4,000,000 for the Highway 17 Wildlife and Trail Crossings Project, the El Sereno Loop Trail, and the connecting trail between the loop trail and the trail crossing.
- 2. Authorizes the General Manager or designee as a representative of the Midpeninsula Regional Open Space District to conduct negotiations, execute, submit and sign all documents including but not limited to applications, agreements, amendments, payment requests, and other documents which may be necessary to administer grant funding for the proposed project, except as limited pursuant to Midpeninsula Regional Open Space District policies.

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PASSED AND ADOPTED by the Board of Directors of the Midpeninsula Regional Open Space District on September 23, 2026, at a regular meeting thereof, by the following roll call vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

ATTEST:

APPROVED:

Margaret MacNiven, Secretary
Board of Directors

Zoe Kersteen-Tucker, President
Board of Directors

APPROVED AS TO FORM:

Hilary Stevenson, General Counsel

I, the District Clerk of the Midpeninsula Regional Open Space District, hereby certify that the above is a true and correct copy of a resolution duly adopted by the Board of Directors of the Midpeninsula Regional Open Space District by the above vote at a meeting thereof duly held and called on the above day.

Maria Soria, District Clerk