



Memorandum

TO: TRANSPORTATION AND
ENVIRONMENT COMMITTEE

FROM: Chris Burton

**SUBJECT: COYOTE VALLEY STATUS
REPORT**

DATE: April 13, 2022

Approved

Date

04/19/22

PURPOSE: Provide a status report on Coyote Valley including the draft “Natural & Working Lands Program,” the Climate Resilience Credits Program, relevant conservation/acquisition strategies, and any other interrelated policies stemming from the General Plan 4 Year-Review actions to preserve agricultural, and conservation uses in Coyote Valley.

RECOMMENDATION

Accept the status report on the work currently proposed relating to the future of Coyote Valley.

BACKGROUND

Staff will provide an overview of four interconnected work items that are directly or indirectly linked with the long-term future of North Coyote Valley and the Mid-Coyote Urban Reserve to achieve key city objectives including the preservation of open space and wildlife habitat, flood and groundwater protection, agriculture, climate change resilience, and passive recreation. Staff will also discuss the proposed approach to resource this work in the coming fiscal years. These four bodies of work are discussed briefly below.

Natural and Working Lands

In July 2019, the City executed a Memorandum of Understanding, including a cost sharing agreement, with the Santa Clara Valley Open Space Authority to evaluate how natural and working land (NWLs) could contribute to meeting Climate Smart GHG emissions reduction goals. The preservation and restoration of Coyote Valley has been identified as a key strategy within the NWL to meet the City’s GHG emission goals. The first draft of the NWL Element, which lays out the new Climate Smart NWL indicators, metrics, and progress milestones, was

shared with the public and stakeholders in January 2022. The Final draft of the NWL Element will be completed by the end of April 2022. The NWL Element will ultimately be presented for City Council consideration to incorporate into Climate Smart San José. The Environmental Services Department has been the City's lead on development of the NWL; however, funding will conclude at the end of this fiscal year.

Coyote Valley Master Plan

Managed by the Santa Clara Open Space Authority in partnership with the Peninsula Open Space Trust and the City of San José, the Coyote Valley Conservation Areas Master Plan will create a roadmap for implementing a landscape linkage on Coyote Valley's conserved lands, as well as managing water resources and providing opportunities for quality of life and economic benefits including public access and agriculture. The Santa Clara Open Space Authority anticipates a three-to-five-year integrated planning effort at a cost of \$3-\$5.5 million, including required environmental review. The Coyote Valley Conservation Areas Master Plan will identify early implementation projects to be constructed within the next five to ten years, as well as develop a larger programmatic vision with a 20-to-30-year time horizon. The Coyote Valley Conservation Areas Master Plan team is currently working on phase one of the project which includes early community engagement, formation of technical advisory groups, synthesis of past work, and collecting data on existing conditions. The current City lead on this planning process has been staff from the Mayor's Office.

Climate Credits Program

A consultant team working for the Peninsula Open Space Trust has been working in partnership with the City of San José and the County of Santa Clara to understand the possibility of establishing a credit-based program in Coyote Valley. A credits program would cross the City and County jurisdictions and would allow property owners in Coyote Valley to receive credits and compensation for environmental benefits related to conservation and restoration. Conservation and restoration projects would be quantified and turned into "credits," and placed in a credits bank to be sold to purchasers. The credits bank could be operated by the City, County, or other third party. Developers and public or private organizations could purchase credits in return for CEQA mitigation or voluntary credit, such as to meet corporate sustainability goals.

As part of the City Council's actions on Coyote Valley on November 16, 2021, and as part of the Four-Year Review of the General Plan, the Council directed staff to continue working with the Peninsula Open Space Trust consultant team to continue to explore the establishment of a climate resilience credits program to support further conservation actions in Coyote Valley. Since Council in the Fall, the consultant team has continued to move forward with exploring a potential Climate Credits program. Currently, however, there is no City department identified or resourced to be the City's lead on partnering with the Peninsula Open Space Trust consultant on this work.

Monterey Coyote Corridor Study

On November 16, 2021, the City Council held a public hearing to consider the proposed General Plan amendments and zoning designations in the Coyote Valley area, as part of the General Plan Four-Year Review General Plan process. As part of its action, the City Council directed staff to conduct a study of the Monterey Road Corridor through North, Mid, and South Coyote Valley to consider appropriate non-residential uses for properties on the east side of Monterey Road that would be compatible with Coyote Creek and compatible with broader environmental objectives to equitably preserve Coyote Valley for San José's diverse community. Following City Council direction, staff returned to Council on May 8, 2022, with a draft scope, budget and timeline to complete this planning process and bring forward recommended General Plan and zoning code amendments for Council consideration.

Funding for the Monterey Corridor Study is expected to be included in the Administration's proposed budget for Fiscal Year 2022/2023. If funding is approved by the City Council, staff would initiate work on the Corridor Study in Summer of this year, with an anticipated completion in early 2024.

Staffing Resources for Coyote Valley Work Items

As noted above, there is not currently staff resources available and allocated to the above work items. There is also currently no department or staff lead to manage the coordination of these four distinct but interconnected work items. Staff resources needed to drive these four items forward will be considered by Council as part of the 2022/2023 Fiscal Year Budget Process.

/s/

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For questions, please contact Michael Brilliot, Deputy Director, Planning Division at Michael.Brilliot@sanjoseca.gov or 408 535-7831.

