

Santa Clara Valley Habitat Plan

2nd Annual Report

FY2015-2016



SANTA CLARA VALLEY
HABITAT AGENCY

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Acronyms and Abbreviations

AMM	Avoidance and Minimization Measure
CAZ	Conservation Analysis Zone
CDFW	California Department of Fish and Wildlife
Co-Permittees	Cities of San José, Gilroy, and Morgan Hill; County of Santa Clara; Santa Clara Valley Water District; Santa Clara Valley Transportation Authority
Corps	U.S. Army Corps of Engineers
County	County of Santa Clara
County Parks	County of Santa Clara Parks and Recreation Department
EBR	East Bay Region critical habitat unit
GIS	geographic information system
Habitat Agency	Santa Clara Valley Habitat Agency
Habitat Plan	Santa Clara Valley Habitat Plan
HCP	Habitat Conservation Plan
NCCP	Natural Communities Conservation Plan
LAG	Local Assistance Grant
Permit Area	Habitat Plan Permit Area
PSE	Participating Special Entity
RDM	Residual dry matter
Refuge	Don Edwards San Francisco Bay National Wildlife Refuge
Regional Board	Regional Water Quality Control Board
RRG	Aquatic Restoration/Creation Planning and Design Resource Group
SCVWD	Santa Clara Valley Water District
STC	Santa Clara County critical habitat unit
USFWS	U.S. Fish and Wildlife Service
UTC	United Technology Corporation
VTA	Santa Clara Valley Transportation Authority

Executive Summary

This is the second Annual Report for the *Santa Clara Valley Habitat Plan* (Habitat Plan). Prepared by the Santa Clara Valley Habitat Agency (Habitat Agency), it summarizes implementation activities undertaken between July 1, 2015, and June 30, 2016, per the conditions of the Habitat Plan.

The Habitat Plan offers a streamlined permitting process for development activities while protecting, enhancing, and restoring valuable natural resources in Santa Clara County and contributing to the recovery of threatened and endangered species. It provides a regional conservation and development framework that protects natural resources while improving and streamlining the permit process for take coverage of state-listed and federally listed species and impacts on sensitive habitat and resources. Permits issued by the U.S. Fish and Wildlife Service (USFWS) and the California Department of Fish and Wildlife (CDFW) in 2013 allow the Co-Permittees¹ to comply with the federal Endangered Species Act and California's Natural Community Conservation Planning Act. Over the 50-year permit term, impacts from urban development and rural infrastructure projects will be offset by the creation of a Reserve System managed for the benefit of 18 covered species, as well as the natural communities that they—and hundreds of other species—depend on for habitat.

Covered Activities

The Habitat Plan describes the activities and projects within the Habitat Plan Permit Area (Permit Area) that are covered its permits and for which the Habitat Plan provides avoidance, minimization, and compensation (i.e., conservation) for impacts to covered species and natural communities. During the reporting period, 57 covered projects received coverage under the Habitat Plan: 31 projects private projects, 23 public projects, and 3 Participating Special Entity (PSE) projects. The covered projects consisted of 38 urban development projects, seven rural development projects, eight rural operations and maintenance projects, one in-stream capital project, one in-stream operation and maintenance activity, one conservation strategy implementation projects and one rural capital projects.

The 57 projects resulted in 600.8 acres of permanent impacts and 119.0 acres of temporary impacts, 14 feet of permanent impacts to streams and 840 feet of temporary impacts to streams. Impacts resulting from covered activities were tracked by land cover type, modeled species habitat, and covered plant occurrences. Impacts on aquatic land cover types and streams were tracked by watershed. Impacts on aquatic land cover types during the reporting period five different watersheds—Guadalupe, Pajaro, Uvas, Llagas, and Alamitos Creek. During the reporting period, four occurrences of covered plants were impacted: Coyote ceanothus, Santa Clara Valley dudleya, smooth lessingia, and most beautiful jewelflower.

¹ The Co-Permittees are the County of Santa Clara; the cities of Gilroy, Morgan Hill, and San José; the Santa Clara Valley Habitat Agency; the Santa Clara Valley Water District; and the Santa Clara Valley Transportation Authority.

Land Acquisition

The Habitat Agency enrolled the first site into the Reserve System—Coyote Ridge Open Space Preserve. Coyote Ridge was purchased by the Santa Clara Valley Open Space Authority and enrolled in the Reserve System via conservation easement. The site consists of 1,803 acres running north-south along Coyote Ridge in central Santa Clara County. It is located in the high-priority Conservation Analysis Zones Coyote-4 and Coyote-5 and contributes to critical linkages in the region: Habitat Plan Linkages 6 and 7 and the Bay Area Critical Linkage, Santa Cruz Mountains to Gabilan Range. It supports 12 land cover types, with serpentine bunchgrass grassland as the dominant land cover type, fulfilling 5% of the overall land acquisition requirements. The site contains habitat for 14 covered species and 20 known occurrences of seven covered plants. The site fulfills 36% of the requirements to acquire modeled habitat for Bay checkerspot butterfly, 10% of the modeled habitat requirements for California tiger salamander, and 6% of the requirements for California red-legged frog.

Habitat Restoration and Creation

The Habitat Agency completed its first restoration projects at Calero County Park and continued to make progress on the establishment of a new Coyote ceanothus population. The Calero County Park Pond and Wetland project resulted in the restoration/creation of 0.17 acres of coastal valley freshwater marsh, 0.26 acres of seasonal wetland, and 0.22 acres of pond to benefit California tiger salamander, California red-legged frog, western pond turtle, and Mt. Hamilton thistle. Phase II and III Coyote Ceanothus Creation Pilot Project resulted in successful seeding and planting at four test plots.

Western Burrowing Owl Management

The western burrowing owl management and monitoring plan continues to be a successful undertaking driven by the South Bay Burrowing Owl Survey Network. The 2016 surveys resulted in the documentation of 62 breeding adult burrowing owls and 108 documented fledged young. These numbers are down from the number of adult owls observed in 2015 (74) and below those reported from the early 1990's and 2009, just prior to Habitat Plan publication.

The Habitat Agency entered into a 5-year management agreement with the San José-Santa Clara Regional Wastewater facility over 201 acres. A subset of this acreage, 72 acres, will be placed under conservation easement in the next year. This is the most productive burrowing owl breeding site in the region. Together with the agreement with Don Edwards Wildlife Refuge, a total of 920 acres are under temporary management agreement, 17% of the total required under the Habitat Plan.

In addition to the annual monitoring of the known populations, two additional efforts are underway. The first effort is a habitat assessment of public lands to determine the distribution of high quality burrowing owl habitat. The lands identified from this effort will be surveyed for owls and may also be targeted for future management and/or enhancement actions. The second is a winter banding study that is being conducted to better understand how burrowing owls utilize the Plan Area during the winter months. The locations where owls are identified and banded during the winter months will be monitored during the breeding season. In addition to gaining more information about burrowing owl use of the Plan Area during the winter months, the re-sighting of previously banded birds provides information on movement and dispersal within the Plan Area.

Reserve System Management

The Santa Clara Valley Open Space Authority conducted management activities including mapping sensitive and invasive plant species, treatment of invasive plant species, conservation grazing to achieve residual dry matter (RDM), sampling of ponds and streams, and monitoring of springs and seeps.

Monitoring, Research and Adaptive Management

The monitoring and adaptive management program informs and improves conservation actions in the Reserve System and ensures that the Habitat Plan achieves its biological goals and objectives. Baseline surveys for wildlife and plant were conducted at Coyote Ridge Open Space Preserve. Surveys identify two of six ponds occupied by breeding California red-legged frog and three occupied by California tiger salamander. Survey results were used to identify two restoration projects to expand occupancy by these species. Bay checkerspot butterfly larvae were recorded in serpentine areas across 64 of 71 plots. There were an estimated 200,000 larvae, constituting 25–50% of the entire Bay checkerspot butterfly population on the Coyote Ridge. Adults were observed on all suitable serpentine grasslands across the property. Plant surveys documented over 20 occurrences of seven covered plant surveys across the property.

Researchers in the Plan Area continue to benefit from the CDFW's Natural Communities Conservation Plan (NCCP) Local Assistance Grant (LAG) Program. The LAG program provides state funds for urgent tasks associated with the implementation of approved NCCPs. The grant research activities included *Sycamore Alluvial Woodland Habitat Mapping and Regeneration Studies*, *Winter Burrowing Owl Banding Project*, *Coyote Valley Linkage Assessment Study*, *Alternative Grassland Grazing Monitoring Methods Assessment*, and *Modeling Climate Change Effects on Pond Hydroperiods in the Coyote Valley*.

Stay-Ahead Provision

Stay-ahead requirements are being met for all natural communities and western burrowing owl, except riparian. For natural communities in compliance, compliance ranges from 120% to 10,136% with conservation excess ranging from 0.3 acres to 266.4 acres. For western burrowing owl nesting habitat, stay ahead compliance is at 622% with conservation in excess of 772.2 acres. The Stay-ahead provision is not being met for riparian forest and scrub (43%) with a deficit of 3.3 acres. This will be remedied with the enrollment of Calero County Park and restoration at Joseph D. Grant County Park.

Stay-ahead compliance for plants can be preliminarily assessed based on the initial surveys on Coyote Ridge Open Space Preserve. Coyote ceanothus occurrence creation will offset the removal of 206 plants. Santa Clara Valley dudelya occurrence protection offsets the removal of one occurrence from (4 plants directly impacted and 118 plants indirectly impacted). Reserve System baseline surveys counted 60,000 plants; however, the number of occurrences is still being determined. The Reserve System contains one occurrence of smooth lessingia with 27.5 million plants to offset the removal of a single occurrence of 6 plants. The Reserve System contains two occurrences of most beautiful jewelflower totaling an estimated 3.1 million plants to offset the removal of a single 110-plant occurrence.

Changed and Unforeseen Circumstances

The “No Surprises” Regulation established by USFWS defines changed circumstances as those circumstances affecting a species or geographic area covered by a Habitat Conservation Plan (HCP) that can be reasonably anticipated by the applicant or the USFWS and to which the parties preparing the HCP can plan a response. There were no changed or unforeseen circumstances during this reporting period.

Finances

The Habitat Agency’s available revenue, allocated budget, and expenditures varied from what was anticipated by the Habitat Plan. For Years 1–5, the Habitat Plan assumed \$9.7 million for its average annual budget. The FY1516 budget was \$1.9 million, 20% of the anticipated budget. The drivers of this difference were due to no land acquisition during the reporting period. The Habitat Agency’s budget focused on program administration, burrowing owl management and monitoring, and baseline monitoring on Coyote Ridge.

Implementation expenditures were lower than what was estimated in the Habitat Plan. The expenditures were \$2 million in FY2015–2016. This was 21%, of what was estimated in the Habitat Plan. Costs increased in this fiscal year from the previous due to the Habitat Agency beginning management and monitoring on Coyote Ridge Open Space Preserve and the restoration project construction at Calero County Park, and expansion of burrowing owl management and monitoring.

The Habitat Agency received \$8.3 million in funds during the reporting period from fee and non-fee funding sources. Fee funding totaled \$4.8 million (58% of total revenues) across private, public, and PSE projects. Private projects paid \$3.2 million across 31 covered projects. Twenty-three public projects paid \$1.3 million. Three PSEs contributed \$189,000. Non-fee funding totaled \$3.5 million (42%). This includes funds from three mitigation only projects (\$1.1 million) and four grants (\$2.4 million).

Fees are adjusted on an annual basis using an automatic inflation adjustment. From FY2014–2015 to FY2015–2016, land cover, serpentine, and nitrogen deposition fees increased by 5.7%. Burrowing owl and wetland fees increased by 3.6%.

Program Administration

The Habitat Plan permits were issued in July 2013, and with the close of FY2015–2016, the Habitat Agency neared 3 years of Habitat Plan implementation. This period focused on early implementation tasks, such as developing tools and resources for Co-Permittees, private applicants, and PSEs; preparing governing policies and guidance documents; and continuing the momentum of a dedicated Co-Permittee staff, regulators, and private citizens with their participation in governance and technical committees. Major Accomplishments are as follows.

- **Staff.** Terah Donovan was hired as the Principal Program Manager.
- **Financial Policies.** Three financial policies were adopted—*Investment Policy*, *Fraud Policy*, and *Donations, Contributions, and Scholarships Policy*.
- **Accounting Software.** Black Mountain Solutions was implemented for accounting.

- **Audit.** An audit report for FY1415 found the Habitat Agency to be in good standings.
- **Regional General Permit.** On January 15, 2016, the U.S. Army Corps of Engineers (USACE), San Francisco District, issued a 5-year Regional General Permit (RGP) to the Co-Permittees on January 15, 2016. An application was developed, training held, and first 3 projects permitted.
- **Trainings.** Three trainings were held for Co-Permittee staff on Habitat Plan permitting.
- **Interpretation and Clarification Memorandums.** Interpretations were developed for grading violations and abatements and San Joaquin Kit Fox den treatments to ensure consistent application of requirements across covered projects.
- **Voluntary Contributions and Mitigation Only Agreements.** The Habitat Agency entered into three mitigation only and one voluntary contribution agreement totaling over \$1.2M.

