

COASTAL CONSERVANCY

Staff Recommendation

December 2, 2004

MALIBU LAGOON FINAL RESTORATION PLANNING

File No. 02-027

Project Manager: Marc Beyeler

RECOMMENDED ACTION: Authorization to disburse up to \$300,000 to the Heal the Bay to prepare a final restoration plan and develop site plans for Malibu Lagoon, using a portion of funds provided by the State Water Resources Control Board.

LOCATION: Northern Santa Monica Bay; Malibu Creek watershed (Exhibit 1)

PROGRAM CATEGORY: Resource Enhancement

EXHIBITS

Exhibit 1: Regional Location Map

Exhibit 2: 2003 Staff Recommendation

RESOLUTION AND FINDINGS:

Staff recommends that the State Coastal Conservancy adopt the following Resolution pursuant to Sections 31251-31270 of the Public Resources Code:

1. "The State Coastal Conservancy hereby ratifies the Conservancy's Executive Officer's acceptance of eight hundred and twenty-five thousand dollars (\$825,000) from the State Water Resources Control Board to develop and implement a lagoon restoration/stewardship program for the Malibu Lagoon; and further authorizes the disbursement of an amount not to exceed three hundred thousand dollars (\$300,000) from these accepted funds to Heal the Bay to prepare a final restoration plan and develop final site plans for Malibu Lagoon, as described in the accompanying staff recommendation, subject to the following condition: Prior to the disbursement of any funds, Heal the Bay shall submit a work program, including project tasks, project timeline and budget, and the names and qualifications of any contractors that it intends to employ for review and approval by the Conservancy's Executive Officer."

Staff further recommends that the Conservancy adopt the following findings:

"Based on the accompanying staff report and attached exhibits, the State Coastal Conservancy hereby finds that:

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1. The proposed project is consistent with Chapter 6 of Division 21 of the Public Resources Code Sections 31251-31270.
 2. The proposed project is consistent with the Project Selection Criteria and Guidelines adopted by the Conservancy on January 24, 2001.
 3. Heal the Bay is a nonprofit organization existing under Section 501(c)(3) of the U.S. Internal Revenue Code, and whose purposes are consistent with Division 21 of the Public Resources Code.”
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PROJECT SUMMARY:

Staff recommends the Conservancy authorize disbursement of up to \$300,000 to Heal the Bay to prepare a final restoration plan and develop site plans for Malibu Lagoon, using a portion of funds provided by the State Water Resources Control Board. This would be the first phase of a final lagoon restoration funded by the SWRCB in the total amount of \$825,000, which requires a matching funds contribution from the Coastal Conservancy in the amount of \$150,000. The Coastal Conservancy previously approved funding for the final pre-project planning last year, and currently Heal the Bay is managing consultant services to prepare final project alternatives in advance of preparing a final restoration plan.

The Coastal Conservancy, working with its community nonprofit partner, Heal the Bay, and the lagoon owner, California Department of Parks and Recreation, is implementing a final lagoon restoration plan using funds provided by the SWRCB. SWRCB granted funds to the Conservancy to finalize restoration planning and begin restoration implementation. This authorization will allow for the final restoration planning. The proposed project would involve plans to restore and enhance the lagoon and adjacent creek riparian habitat resources of Malibu Lagoon. Restoring wetland functions and improving circulation will increase the capacity of the system to assimilate pollutants, resulting in improving water quality within the lagoon, and protecting the beneficial uses for wildlife within the lagoon and in adjacent nearshore coastal waters.

Site Description: Malibu Lagoon is a coastal estuary with a direct link to a very heavily used public swimming and surfing beach. Malibu Lagoon State Beach is immediately adjacent to the Lagoon, and just downshore is Surfrider Beach, one of the most popular surfing beaches in Southern California. Malibu Lagoon drains the 110-square mile Malibu Creek watershed, the second largest watershed draining to Santa Monica Bay.

Project History: For the past decade the staff of the Coastal Conservancy has been working closely with local stakeholders and partners to develop plans for restoring Malibu Lagoon. The Coastal Conservancy funded the *Lower Malibu Creek and Lagoon Resource Enhancement and Management Report*, completed in 2000, and supported a subsequent process for identifying implementation options. In January 2003, the Conservancy funded the first phase of a restoration feasibility analysis (Exhibit 3). In the past year, Conservancy staff, working with its project partners, successfully sought grant funds from the State Water Resources Control Board (SWRCB) for Coastal NPS funds for final Malibu Lagoon Restoration planning. The SWRCB has committed \$825,000 to implement the program and the Conservancy is required to provide a \$150,000 match. The proposed authorization would support the completion of this planning process, resulting in development of a preferred alternative and final environmental review and

project permitting. Implementation of the Lagoon Restoration Program, using the remaining SWRCB grant funds and the Conservancy matching funds of \$150,000 will be the subject of a future Conservancy staff recommendation.

In addition the participation of the Conservancy in establishing a restoration plan for Malibu Lagoon, the Conservancy is a project partner, and/or project funder, in several important coastal resource protection projects in the Malibu Creek watershed, including the eradication of non-native invasive plant species, the restoration and enhancement of riparian resources, and the elimination of barriers to fish passage to support the re-establishment of southern steelhead in the creek watershed.

PROJECT FINANCING:

SWRCB	\$825,000
Coastal Conservancy	\$150,000

The SWRCB has provided a grant to the Conservancy for this program using funds derived from the Safe Drinking Water, Clean Air, Watershed Protection and Flood Control Protection Act of 2000 (Proposition 13) for projects that protect and restore the water quality and environment of coastal nearshore waters, consistent with the state’s Non-Point Source Pollution Control Plan.

The Conservancy’s contribution to the proposed project is anticipated to be funded through funds allocated to the Coastal Conservancy from the Habitat Conservation Fund (HCF). The Habitat Conservation Fund can be used for the acquisition, enhancement or restoration of wetland, riparian and related coastal habitats. The restoration of wetlands to protect coastal natural resources and implement the state’s Non-Point Source Pollution Prevention Program is consistent with the purposes and requirements of these funding sources.

CONSISTENCY WITH CONSERVANCY'S ENABLING LEGISLATION:

Chapter 6 of Division 21 of the Public Resources Code (Sections 31251-31270) authorizes the Conservancy to award grants to nonprofit organizations for the enhancement of significant coastal natural resources. Protecting wetland and related riparian resources within Malibu Lagoon is essential to ensuring the sustainability of the coastal ecosystem of the Malibu Creek watershed.

Consistent with Public Resources Code Section 31252, the area proposed for resource enhancement has been included in the Malibu Local Coastal Plan and the Santa Monica Bay Plan, as well as the Malibu Creek watershed Action Plan as an area requiring public action to address a resource problem, in this case coastal water quality and habitat degradation. Consistent with Public Resources Code Section 31253, the Conservancy may provide up to the total cost of any coastal resource enhancement project. The Conservancy funds are to be leveraged with funds provided by the SWRCB and in-kind services of the California Department of Parks and Recreation.

CONSISTENCY WITH CONSERVANCY'S STRATEGIC PLAN GOALS & OBJECTIVES:

Consistent with **Goal 5 Objective A**, the proposed project will increase Coastal Resource Conservation by the restoration of wetland and riparian lands that will protect, restore, and enhance biological diversity in coastal areas. Objective A directs staff to preserve, restore, and enhance important coastal habitats including coastal wetlands and coastal stream corridors. The proposed project contains significant natural resources.

Consistent with **Goal 6 Objective A**, the proposed project will improve water quality, habitat, and related coastal habitats within a priority coastal watershed, developing projects that preserve and restore coastal watersheds.

CONSISTENCY WITH CONSERVANCY'S PROJECT SELECTION CRITERIA & GUIDELINES:

The proposed project is consistent with the Conservancy's Project Selection Criteria and Guidelines adopted January 24, 2001, in the following respects:

Required Criteria

1. **Promotion of the Conservancy's statutory programs and purposes:** See the "Consistency with Conservancy's Enabling Legislation" section above.
2. **Consistency with purposes of the funding source:** See the "Project Financing" section above.
3. **Support of the Public:** The proposed project has widespread community and agency support. The project has multiple agency involvement, including federal, state, regional, and local. In addition, the project involves community nonprofit organizations and members of the general public. (See Exhibit 3)
4. **Location:** Located in the lower portion of a priority coastal watershed, lagoon restoration for purposes of natural resource protection is essential to contribute to the restoration and enhancement of significant coastal resources, including riparian and wetland resources.
5. **Greater-Than-Local Interest:** The location of the property within a priority watershed is significant both locally and statewide. Significant public land holdings are either adjacent to, or near the proposed restoration area.

Additional Criteria

8. **Resolution of more than one issue:** The project will address coastal resource protection, habitat quality and species protection, water quality, and watershed resource protection.
9. **Leverage:** See the "Project Financing" section above.
13. **Realization of prior Conservancy goals:** See the "Project History" section above.
15. **Cooperation:** The proposed projects involve the cooperation of state, local, regional agencies, as well as interested stakeholders and members of the general public.

COMPLIANCE WITH CEQA:

The project is categorically exempt from the provisions of California Environmental Quality Act (CEQA) under 14 Cal. Code of Regulations Sections 15306, which exempts planning, feasibility and resource evaluation activities. The proposed authorization would allow Heal the Bay to undertake a final restoration plan and final site design for the Lagoon. Staff will file a Notice of Exemption upon approval of the project.