

COASTAL CONSERVANCY

Staff Recommendation
September 29, 2016

SAN JOSE CREEK FISH PASSAGE IMPROVEMENTS

Project No. 16-034-01
Project Manager: Rachel Couch

RECOMMENDED ACTION: Authorization to disburse up to \$33,645 to the Cachuma Resource Conservation District to conduct biological surveys and prepare information needed for permit applications and environmental review for removal of three fish passage barriers in San Jose Creek, Santa Barbara County.

LOCATION: Goleta Slough Watershed, unincorporated Santa Barbara County

PROGRAM CATEGORY: Resource Enhancement

EXHIBITS

Exhibit 1: [Project Location Map](#)

Exhibit 2: [Photos](#)

Exhibit 3: [Project Letters](#)

RESOLUTION AND FINDINGS:

Staff recommends that the State Coastal Conservancy adopt the following resolution pursuant to Section 31220 of the Public Resources Code:

“The State Coastal Conservancy hereby authorizes disbursement of up to thirty-three thousand six hundred forty-five dollars (\$33,645) to the Cachuma Resource Conservation District (CRCD) to conduct biological surveys, and prepare information needed for permit applications and environmental review for removal of three fish passage barriers at the Dos Arroyos Ranch along San Jose Creek to improve passage for migrating steelhead, as shown on Exhibit 1 to the accompanying staff recommendation. Prior to the disbursement of Conservancy funds, the CRCD shall submit for review and approval of the Conservancy’s Executive Officer a work program, budget, schedule and any contractors to be employed for the project and evidence that the grantee can provide all the funds needed to complete the plans.”

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:

1. The proposed authorization is consistent with Chapter 5.5 of Division 21 of the Public Resources Code, regarding integrated coastal and marine resource protection.
 2. The proposed project is consistent with the current Conservancy Project Selection Criteria and Guidelines.
 3. The proposed project is consistent with applicable local watershed management plans and water quality control plans.
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PROJECT SUMMARY:

The proposed project would grant up to \$33,645 to the Cachuma Resource Conservation District (CRCD) to conduct biological surveys, and prepare information needed for permit applications and environmental review for removal of three fish barriers at the Dos Arroyos Ranch along San Jose Creek to improve passage for migrating steelhead. (See Exhibit 2, project photos). The proposed project includes planning for restoration of habitat adjacent to the barrier sites using native plant stock collected in the watershed, enhancement of instream flows through removal of large non-native water intensive eucalyptus trees, and restoring the stream channel at these sites to also function as groundwater recharge locations. This project will facilitate the removal of the remaining manmade barriers and impediments to migration in the creek, and subsequent restoration of the creek, opening up 2.25 miles of stream. The proposed project is identified as a priority project by the Southern California Wetlands Recovery (SCWRP).

From Santa Barbara south to the Tijuana border, steelhead (*Onchorhynchus mykiss*) have been listed as endangered under the Federal Endangered Species Act. The *Southern California Steelhead Recovery Plan* (National Marine Fisheries Service 2011) identifies removal of passage barriers within the Goleta Slough watershed as a critical recovery action. San Jose Creek is the largest sub-watershed within the Goleta Slough watershed. It has perennial flows and high quality steelhead habitat in the upper watershed. The lower creek is urbanized and has a channelized section. The proposed planning activities will facilitate removal of the barriers to allow anadromous steelhead to reach suitable perennial spawning and rearing habitats in the upper reaches of the creek. Downstream, the City of Goleta recently completed the successful modification of a mile-long flood control channel to allow fish passage. There is one other downstream impediment scheduled for removal in 2018. Once that is removed, the barriers on Dos Arroyos Ranch will be the only remaining manmade passage impediments on the creek.

The proposed project involves the completion of wildlife and botanical surveys, and preparation of information for permit applications and environmental review for the removal of two road crossings and one concrete dam. The road crossings will be replaced with bridges and the creek's grade will be restored to comply with state and federal criteria for fish passage. Additional benefits of the project once constructed include increased groundwater recharge, increased carbon sequestration with native plant restoration, and water quality improvements and streambank stabilization due to reduction in erosion and sedimentation rates. Other elements of the planning phase of the project are the completion final engineering and design, geotechnical studies, and restoration plan, all of which will be completed with fund sources outside this grant.

The CRCDD was formed in September 1992 by consolidating the Santa Barbara RCD, Santa Maria RCD and the Cuyama RCD. In July 1996, the CRCDD was further consolidated with the Lompoc RCD, so that today, the CRCDD is the only RCD serving Santa Barbara County. The CRCDD provides support and technical services to agricultural landowners for sustainably conserving the resources on their lands. The CRCDD works closely with dozens of non-profits and the Natural Resources Conservation Service (NRCS) to provide a critical link between private individuals, funding opportunities and agency support in conservation on private working lands. The CRCDD has worked on many successful local watershed and habitat restoration, water quality, water conservation projects, and permit streamlining projects throughout Santa Barbara County. They are in a unique position because they are often one of the only government organizations that private landowners trust.

Site Description: San Jose Creek is located in coastal Santa Barbara County, about 5 miles west of the City of Santa Barbara, and drains a watershed of about 9.5 square miles, or about 6,100 acres. The stream and its major tributary, Fremont Creek, originate in the south facing slopes of the Santa Ynez Mountains. In less than nine miles, the creek drops more than 2,900 feet from the headwaters to the Pacific. In the mountains, the perennial creek flows through narrow canyons with steep slopes of exposed bedrock, large boulders and thin topsoil. The creek flows through the San Marcos Trout Club, a mountain residential community. Downstream it flows through orchards, riparian woodlands, and residential areas before passing through the “Old Town” portion of the City of Goleta to its mouth at Goleta Slough in Goleta Beach County Park. In some dry years, the lower reach of creek in the project site goes dry, however, despite the current record drought, the creek is currently flowing through much of the upper reach within the project site. On the coastal plain downstream, a one-mile long flood control channel was retrofitted for steelhead passage in 2013-14 by the City of Goleta at a cost of approximately \$13 million. The Hollister Bridge widening project in Old Town Goleta will remove the last downstream impediment and is due to be completed in 2018.

The upper watershed contains a thick overstory of riparian trees and native plant understory and includes lands within Los Padres National Forest. In addition to steelhead and rainbow trout, the watershed provides habitat for tidewater goby, mule deer, arroyo toad, coast range newt, Belding’s savannah sparrow, red-tailed hawk, two-striped garter snake, western pond turtle, ringtail, least Bell’s vireo, and possibly red-legged frog. Although development has altered the lower portion of the watershed, many sections of the creek still retain a dense canopy. While the quality of habitat is somewhat compromised in the lower reaches, the potential for steelhead restoration is high because (1) there is a resident steelhead / rainbow trout population at and upstream from the project site, and (2) the City of Goleta removed the major downstream barrier.

The project site is located on private property five stream miles upstream from the mouth in the Goleta Slough. The Dos Arroyos Ranch property contains both residential and agricultural land uses, specifically an active commercial avocado orchard. The dominant vegetation communities along the creek are riparian woodland and riparian scrub, with the orchard extending to near the top of the bank in some areas. Native trees in the riparian woodland include western sycamore, coast live oak, arroyo willow, white alder, California bay and black cottonwood. The creek banks and understory contain a mixture of native and non-native species, dominated by such natives as California blackberry, creek clematis, gooseberry, and mugwort. Nonnative plants include water-loving eucalyptus, some of which will be removed. During summer months the creek is generally flowing through the project reach, although during severe droughts, the lower reach may go dry.

Project History: For more than 15 years, the Conservancy and other state agencies have supported community efforts to enhance and protect the coastal and watershed resources of Goleta Slough. Specifically, the Conservancy has worked closely with Goleta Slough Management Committee on studies involving increasing tidal influence in the Slough, and most recently, in completing the *Goleta Slough Area Sea Level Rise and Management Plan* (2015), an update to the *Goleta Slough Ecosystem Management Plan* (1997). The San Jose Creek Dos Arroyos Ranch Fish Passage project was originally identified in 1989 as the subject of a UCSB undergraduate’s senior thesis. The barriers were identified in the 2002 report by Matt Stoecker and the Conception Coast Project, *Steelhead Assessment and Recovery Opportunities in Southern Santa Barbara*. The project proponents were instrumental in convincing the City of Goleta to include fish passage in the flood channel modification and Hollister Bridge widening projects. The CRCD was approached by Environmental Defense Center (EDC), a project partner, whose staff had contacted the landowner about the possibility of undertaking the project. The CRCD then contacted the Conservancy staff about potential funding opportunities.

PROJECT FINANCING

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| Coastal Conservancy | \$33,645 |
| National Fish and Wildlife Foundation | \$71,994 |
| Bower Foundation | \$5,000 |
| City of Goleta | \$3,250 |
| Private donation | \$1,175 |
| Project Total | \$115,064 |

The anticipated source of Conservancy funds is the fiscal year 2015/16 appropriation to the Conservancy from the Water Quality, Supply, and Infrastructure Improvement Act of 2014 (Proposition 1, Water Code § 79700 et seq.). Funds appropriated to the Conservancy derive from Chapter 6 (commencing with § 79730) and may be used “for multi-benefit water quality, water supply, and watershed protection and restoration projects for the watersheds of the state” (Section 79731). Section 79732 identifies specific purposes of Chapter 6. The proposed project will achieve several of these purposes, including the following: remove barriers to fish passage; protect and restore coastal watersheds, including, but not limited to, bays, marine estuaries, and nearshore ecosystems; and assist in the recovery of endangered, threatened, or migratory species by improving watershed health, instream flows, fish passage, coastal or inland wetland restoration, or other means, such as natural community conservation plan and habitat conservation plan implementation. The proposed project will facilitate removal of fish passage barriers for endangered steelhead and restoration of aquatic and riparian habitat, which will enhance natural stream functions.

As required by Proposition 1, the proposed project provides multiple benefits. The planning effort will provide for a project that will: remove barriers to fish passage; restore habitat; improve water quality through reducing erosion, incision, and sediment loading caused by the barriers; and enhance instream flows by removing large non-native water intensive eucalyptus trees and by restoring the stream channel pools to also function as groundwater recharge locations.

In accordance with Section 79707(b), which requires agencies to prioritize “projects that leverage private, federal, or local funding or produce the greatest public benefit”, this project leverages private and local funding and in-kind contributions. National Fish and Wildlife Foundation will provide \$71,994 in matching funds for the project; private foundations will provide \$9,425 in matching funds; and CRCD will provide in-kind contributions of staff time, and the value of this in-kind contribution is expected to be over \$1,312.

The project was reviewed and subsequently recommended for funding through a competitive grant process under the Conservancy’s *Proposition 1 Grant Program Guidelines* adopted in June 2015 (Prop 1 Guidelines) (See § 79706(a)). The proposed project meets each of the evaluation criteria in the Prop 1 Guidelines as described in further detail in this “Project Financing” section, the “Project Summary” section and in the “Consistency with Conservancy’s Project Selection Criteria & Guidelines” section of this staff recommendation.

CONSISTENCY WITH CONSERVANCY’S ENABLING LEGISLATION:

The proposed project would be undertaken pursuant to the Conservancy’s enabling legislation, Division 21 of the Public Resources Code (PRC); in particular Chapter 5.5 (PRC Section 31220), regarding integrated coastal and marine resources protection.

Section 31220(a) authorizes the Conservancy to award grants for projects that meet one or more criteria of Section 31220(b). Consistent with 31220(b), the proposed project will achieve the following objectives: 1) protect or restore fish and wildlife habitat within coastal and marine waters and a coastal watershed by reducing an impediment to fish passage; 2) reduce threats to coastal and marine fish and wildlife; and 3) reduce unnatural erosion and sedimentation of a coastal watershed through stream bank stabilization. Consistent with Section 31220(a), Conservancy staff has consulted with the State Water Quality Control Board in developing this project.

As Section 31220(c) requires, the proposed project is consistent with local and state watershed plans. This is discussed in detail below under “Consistency with Local Watershed Management Plan/State Water Quality Control Plan.” Section 31220(c) requires that the project include a monitoring and evaluation component. Extensive monitoring and evaluation will be integrated into the design of the project.

CONSISTENCY WITH CONSERVANCY’S 2013 STRATEGIC PLAN GOAL(S) & OBJECTIVE(S), AS REVISED JUNE 25, 2015:

Consistent with **Goal 5, Objective C** of the Conservancy’s 2013-2018 Strategic Plan, the proposed project will develop a plan for the restoration and enhancement of a coastal aquatic and riparian habitat in the San Jose Creek sub-watershed.

CONSISTENCY WITH CONSERVANCY’S PROJECT SELECTION CRITERIA & GUIDELINES:

The proposed project is consistent with the Conservancy’s Project Selection Criteria and Guidelines, last updated on October 2, 2014, 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. **Promotion and implementation of state plans and policies:** By removing a barrier to fish migration, the project serves to promote and implement several statewide plans and policies including:

California Water Action Plan (California Natural Resources Agency, 2014). Goal #4, “Protect and Restore Important Ecosystems”, identifies the elimination of barriers to fish migration as a priority action. The goal references coordinated efforts with the California Department of Fish and Wildlife (CDFW) to complete culvert and bridge improvement to provide anadromous fish species access to historic upstream spawning and estuary rearing habitat on smaller watershed around the state.

Steelhead Restoration and Management Plan for California (CDFW, February 1996, with updates to Steelhead Tasks in 2013). This CDFW document provides strategies to restore native and naturally produced (wild) stocks of steelhead, including restoring access to historic habitat that is presently blocked.

Southern California Steelhead Recovery Plan (NMFS, 2011). This National Marine Fisheries Service document identifies priority actions to improve the potential for recovery for Southern California steelhead, including identification and removal of barriers to migration.

4. **Support of the public:** The proposed project is supported by Congresswoman Lois Capps, State Senator Hannah-Beth Jackson, Assemblymember Das Williams, Second District County Supervisor Janet Wolf, CDFW, NOAA Fisheries, U.S. Fish and Wildlife Service, and the Santa Barbara County Flood Control District, as well as by local community-based organizations including the Urban Creeks Council (see Exhibit 3).
5. **Location:** The project site is located five miles upstream from the mouth of Goleta Slough. The project will benefit the coastal resources by providing barrier free access to high quality, upstream spawning grounds for anadromous fish, specifically southern steelhead trout.
6. **Need:** The number of spawning southern California steelhead trout—a federally-listed endangered species—in Santa Barbara’s south coast creeks has declined to a small fraction of historic levels, and continues to fall. The landowners, CRCD, and other partner organizations do not have sufficient funds to complete this project and must secure significant external funding if the project is to proceed. At this time, the project cannot be implemented without Conservancy participation.
7. **Greater-than-local interest:** San Jose Creek is a sub-watershed of Goleta Slough Watershed, which is identified as a high priority for recovery in the *NOAA Southern California Steelhead Recovery Plan* (NMFS 2011). Removal of these barriers will implement one of the critical recovery actions identified in the NMFS plan.

8. **Sea level rise vulnerability:** The project sites range from 138 to 196 feet elevation and will not be affected by sea level rise.

Additional Criteria

9. **Urgency:** The continued existence of barriers to upstream fish migration presents a threat to the long-term viability of steelhead populations in the Goleta Slough Watershed.
10. **Readiness:** The project is currently seeking additional funding to from other sources to complete permitting and environmental review.
11. **Realization of prior Conservancy goals:** “See “Project History” above.”
12. **Cooperation:** Development of this project represents a significant level of cooperation among CRCDD, the landowner, EDC and Urban Creeks Council, including staff from CDFW who provided significant design assistance.
13. **Vulnerability from climate change impacts other than sea level rise:** Projections of future climate change predict uncertain changes in precipitation in California, but they suggest wetter winters and drier summer conditions. The project engineers analyzed the project and determined it would be stable under 100-year flood conditions, even if those conditions occur more frequently than in the past. This is important as winter rains are expected to increase in overall intensity, but not in duration. Increased winter rain events may benefit steelhead in the region, increasing their potential migration period; however, this could result in greater flood risks throughout the watershed. Increased summer temperatures and decreased summer rainfall will increase the chances that the intermittent section of the creek will go dry. This increases the need to remove barriers from the watershed to allow fish to move upstream to perennial waters as the lower reaches may flow less days out of the year. More frequent fires are also projected. The combination of floods and fire will result in more extensive movement of sediment and debris through the creek. The clear-span bridges are being specifically designed to have freeboard above the 100-year flood level. By removing the roads and dam from the stream, and by placing the bridges above the 100-year flood elevation, the stream will have fewer impediments to the flow of water, sediment and debris and the system will function more naturally during flood conditions.

CONSISTENCY WITH LOCAL COASTAL PROGRAM POLICIES:

The proposed project is consistent with policies in the Santa Barbara County Coastal Plan (January 1982) that provide for the protection and enhancement of environmentally sensitive habitat areas.

Section 3.9.2 of the County’s LCP defines environmentally sensitive habitat areas as those in which plant or animal life or their habitats are rare or especially valuable because of their special nature or role in an ecosystem. Under the LCP, such areas include rare and endangered species habitats, wetlands, streams, and “specialized wildlife habitats which are vital to species survival.” Such habitats are to be preserved and protected. In addition, Policies 9-38 and 9-39 of the County’s LCP prohibit any structures within a stream corridor, especially dams or other

structures that prevent upstream migration of anadromous fish (unless other measures are used to allow fish to bypass obstacles).

The proposed project would be consistent with the goals and policies of the LCP by planning for the protection of habitat for the endangered southern California steelhead and for the removal of structures that prevent upstream migration. The proposed project is also consistent with Section 3.3.4 of the LCP and its attendant watershed protection policies, whose objectives include the long-term preservation of the biological productivity of coastal streams and wetlands.

**CONSISTENCY WITH LOCAL WATERSHED MANAGEMENT PLAN/
STATE WATER QUALITY CONTROL PLAN:**

Because the project will facilitate the restoration of fish and wildlife habitat in coastal watersheds and wetlands, the project is consistent with the Water Quality Control Plan for the Central Coastal Basin (adopted by the Regional Water Quality Control Board Central Coast Region in 1994 and reviewed every three years) in that it will further the following beneficial use objectives: wildlife habitat; rare, threatened or endangered species; and migration of aquatic organisms.

The project would also help implement several major regional goals and objectives for Santa Barbara County in the Regional Strategy of the Southern California Wetlands Recovery Project (SCWRP). The project would help meet two of the County's key objectives: improving steelhead habitat "by modifying and removing passage barriers and enhancing habitat. . . and [helping] implement high-priority steelhead recovery projects identified in Conception Coast Project's South Coast Steelhead Recovery Study." (SCWRP Regional Strategy: <http://www.scwrp.org/pdfs/RS-Ch4-County-Objectives.pdf>). It would also promote three of the six regional goals of the Wetlands Recovery Project: restoring stream corridors in coastal watersheds, recovering native habitat and species diversity; and integrating wetlands recovery with other public objectives.

COMPLIANCE WITH CEQA: The proposed project is statutorily exempt from the California Environmental Quality Act (CEQA) pursuant to the 14 Cal. Code Regs. Section 15262, which exempts planning and feasibility studies for possible future actions. The project involves only the preparation of plans and information needed for environmental analyses and permit applications for habitat restoration for possible future actions that the Conservancy has not approved, adopted, or funded, and the project will consider environmental factors in its environmental analysis. The proposed project is also categorically exempt from CEQA pursuant to 14 Cal. Code Regs. Section 15306, which exempts basic data collection and research that will not result in a serious disturbance to an environmental resource. Staff will file a Notice of Exemption upon approval.