COASTAL CONSERVANCY

Staff Recommendation
November 21, 2024

SANTA MONICA COASTAL HABITAT RESTORATION PROGRAM

Project No. 24-014-01
Project Manager: Bryce Keyes

RECOMMENDED ACTION: Authorization to disburse up to $10,260,000 to Santa Monica Bay Foundation, DBA The Bay Foundation, to undertake the Santa Monica Coastal Habitat Restoration Program, consisting of implementing a suite of nature-based restoration projects to increase the resilience of Santa Monica Bay in Los Angeles County to climate change impacts.

LOCATION: Santa Monica Bay, including the cities of Los Angeles, San Pedro, Palos Verdes, Malibu, Marina Del Rey, and Santa Monica, Los Angeles County

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EXHIBITS

Exhibit 1: Project Location Map

Exhibit 2: Project Photos

Exhibit 3: Project Letters

Exhibit 4: CEQA Statutory Exemption for Restoration Project Concurrence

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RESOLUTION AND FINDINGS

Staff recommends that the State Coastal Conservancy adopt the following resolution and findings.

Resolution:

The State Coastal Conservancy hereby authorizes a grant of an amount not to exceed ten million two hundred sixty thousand dollars ($10,260,000) to Santa Monica Bay Foundation, DBA The Bay Foundation ("the grantee"), to undertake the Santa Monica Coastal Habitat Restoration Program ("program"), consisting of implementing a suite of nature-based restoration projects to increase the resilience of Santa Monica Bay in Los Angeles County to climate change impacts.

Prior to commencement of the program, the grantee shall submit for the review and written approval of the Executive Officer of the Conservancy (Executive Officer) the following:

1. A detailed work program, schedule, and budget for the program.
2. Names and qualifications of any contractors to be retained in carrying out the program.
3. A plan for acknowledgement of Conservancy funding.
4. Evidence that all permits and approvals required to implement the program have been obtained.
5. Evidence that the grantee has entered into agreements sufficient to enable the grantee to implement, operate, and maintain the program, if applicable.

Findings:

Based on the accompanying staff recommendation 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 Resources Protection.
2. The proposed program is consistent with the current Conservancy Project Selection Criteria.
3. Santa Monica Bay Foundation, DBA The Bay Foundation, is a nonprofit organization organized under section 501(c)(3) of the U.S. Internal Revenue Code.

STAFF RECOMMENDATION

PROJECT SUMMARY:

Staff recommends the Conservancy authorize a $10,260,000 grant to Santa Monica Bay Foundation, DBA The Bay Foundation ("The Bay Foundation") to undertake the Santa Monica Coastal Habitat Restoration Program ("program"), consisting of implementing a suite of nature-based restoration projects to increase the resilience of Santa Monica Bay ("the Bay") in Los Angeles County to climate change (Exhibit 1). The Bay is impacted by historical, ongoing, and increasing environmental stress, including coastal erosion, habitat loss, habitat fragmentation, nutrification, local coastal acidification, and reduced ecosystem structure and function. The suite of projects builds on years of prior efforts and focus on restoring eelgrass, kelp, and dune ecosystems, restoring red abalone species, and improving water quality by restoring freshwater wetlands in the watershed and promoting cleaner boating practices (Exhibit 2). The program's projects are described below.

Eelgrass Project

Eelgrass and kelp subtidal habitats are two of the degraded subtidal habitats that the grantee aims to restore as part of this project. These habitats provide a multitude of ecosystem services, including improving sediment and water quality, mitigating ocean acidification, sequestering carbon, and buffering against coastal erosion. Furthermore, these habitats provide structure and foraging areas for invertebrates and fishes of both recreational and commercial importance.

Eelgrass beds on the open coast in the Bay have been reduced to only a few beds, located exclusively on the western edge in Malibu. Historically poor water quality in the Bay resulted in widespread subtidal habitat degradation, but large-scale infrastructure investments have allowed the recovery of the ecosystem health substantially and has provided an opportunity to reestablish eelgrass beds in the Bay. The Eelgrass Project consists of restoring and monitoring a total of two acres of eelgrass beds at two sites in Malibu. The project will transplant 6,000 to 10,000 turions (eelgrass shoot and its blades) from Catalina Island to the two sites. The restoration sites will be selected based on eight years of continuous monitoring and current monitoring efforts. The post-restoration monitoring will occur over two years. The project builds on knowledge from a previous Conservancy-funded project at Dockweiler Beach. The Paua Marine Research Group will assist with this project.

Kelp Forest Project

Biodiverse kelp forests in the Bay have been decimated by the rise of "urchin barrens", areas where sea urchins have overpopulated and have overgrazed on kelp. The resulting habitat is dominated by urchins, leaving very little kelp to support the diverse marine life that depends on it. In Southern California, healthy kelp forests can support approximately 750 species, making their loss particularly detrimental to Bay wildlife. The Bay Foundation has been working on kelp restoration along the Palos Verdes Peninsula since 2013 through culling urchins. The Kelp Forest Project will support the recovery of an additional five acres of kelp by reducing urchin populations on five acres of ocean floor to sustainable levels, which will allow for algae and other benthic organisms to grow and reestablish the giant kelp forest. Post-restoration monitoring will be conducted to ensure that the urchin density target is met across the restoration area, and annual monitoring over five years will assess the community-wide response within the ecosystem. The project will be undertaken in partnership with commercial sea urchin harvesters, the Vantuna Research Group, and Southern California Marine Institute (SCMI).

Abalone Project

Once abundant in the kelp forests of the Bay, seven species of abalone have nearly vanished due to overharvesting, habitat loss, and disease. The Abalone Project is focused on recovery of the threatened red abalone and consists of transplanting abalone grown in the Abalone Laboratory at SCMI to rocky reef habitat near the Palos Verdes kelp forest and monitoring the abalone. Approximately 1,000 to 2,500 red abalone will be placed on rocky reefs offshore of the Palos Verdes Peninsula. This restoration activity builds on abalone transplanting efforts since 2018, including a Conservancy-funded project on green abalone. The project includes upgrading the aquaculture system at the Abalone Laboratory at SCMI and purchasing and growing abalone in the upgraded aquaculture system. In carrying out this project, The Bay Foundation will work with National Oceanic and Atmospheric Administration, University of California Davis Bodega Marine Lab, California Department of Fish and Wildlife, and several other partners.

Due to the increased workload, equipment requirements, and number of divers needed for eelgrass, kelp, and abalone restoration efforts, the program includes repairing The Bay Foundation’s current boat that is used for all its subtidal restoration activities. The repairs will

include upgrading the boat with new engines, navigational systems, wiring, anchor windlass, and safety equipment, which will enable the grantee to successfully carry out the program.

Coastal Dunes Project

Sea level rise and increased frequency and intensity of storms will cause increased frequency and extent of coastal flooding. This, in conjunction with associated coastal erosion, can lead to beach habitat and coastal access loss. To increase resilience and preserve access to Santa Monica State Beach, the program includes the Coastal Dunes Project, which will restore and monitor 46 acres of vegetated coastal dunes on Santa Monica State Beach. This effort builds from a nine-year pilot project and a recently completed dune restoration on Santa Monica State Beach. The project includes delineating plots by installing a post-and-rope boundary where beach grooming is no longer allowed, strategically placing pathways for pedestrians, adding sand fencing to start the natural process of capturing wind-borne sediment, collecting and planting seeds and cuttings from other locally restored sand dunes, and removing non-native plants as the vegetation community grows on the dunes. The Bay Foundation has worked on building dunes at various sites since 2015 and will apply lessons learned from three previous Conservancy-funded dune restoration projects to this large-scale restoration effort. The City of Santa Monica and University of California, Los Angeles (UCLA) are key partners on this dune restoration effort. To educate the public on the project, the project includes developing curriculum to incorporate dune restoration science into schools and engaging people in opportunities to restore the dunes via hands-on restoration work.

Kuruvungna Village Springs Project

Kuruvungna Village Springs is a historic Native American village that has been occupied for over 8,000 years, located in the City of Los Angeles. The water quality of the freshwater wetlands has degraded due to installed hard infrastructure and invasive vegetation. The Kuruvungna Village Springs Project is a collaboration with the Gabrielino Tongva Springs Foundation to restore two acres of native vegetation and improve natural hydrology at the Kuruvungna Village Springs site. Specifically, the project will remove a paved parking lot and non-native vegetation from site, then revegetate the area with native plants. This restoration will enhance the wetland's ability to absorb and filter runoff, reducing the amount that flows into the storm drain system and ultimately decreasing pollutant loading into the Bay.

Clean Boating Initiative Project

The Clean Boating Initiative project consists of promoting environmentally friendly boating practices through outreach. A key feature of the project is the promotion of marine composting toilets, which are self-contained, spill-resistant, and prevent sewage pollution at the source. The project includes investigating the barriers that boaters perceive to owning or installing a marine composting toilet on their boat, preparing appropriate messaging, and conducting direct marketing. The project includes hosting a booth at four outreach events at local harbors to promote the use of composting toilets, which will be displayed at the events. The goal of the outreach efforts is to increase the use of marine composting toilets, which will enhance the water quality in the Bay.

The program includes training a new workforce, specifically people from systemically excluded communities, to work on the Eelgrass Project, Kelp Forest Project, Abalone Project, Coastal Dunes Project, and Kuruvungna Village Springs Project. There are many barriers for youth interested in marine science to navigate. These often involve cost, job opportunities, and geographic factors including access to swimming pools, coastal resources, and ability to travel to and from distant areas. In carrying out the program, The Bay Foundation will hire approximately 28 interns to contribute approximately 10,000 hours of effort to implementing all activities involved in these projects. The Bay Foundation will partner with Aquatic Futures Foundation and UCLA to recruit, educate, train and employ certified scientific divers and non-divers from systemically excluded communities which will increase participation of people from black, indigenous, and people of color communities.

The proposed subtidal restoration projects, including eelgrass, kelp, and abalone restoration, are inherently difficult to share with the public due to their difficulty to access. The program includes creation of video and web-based materials to better engage with visitors to Santa Monica Bay. Messaging will focus on coastal resilience, the utility and beauty of nature-based solutions to climate change, and tribal perspectives and history. The webpages will be promoted in or near project locations using signage on innovative natural material with a QR code that leads to the webpages.

The proposed projects are the outcome of robust community engagement during the development of the Comprehensive Conservation and Management Plan (CCMP) for the Santa Monica Bay National Estuary Program. This plan was first informed and adopted in the early 1990's, with several updates and revisions since then. In each instance the plan has been developed with the input of the public, local, state, and federal agencies, local municipalities, non-profits, and other interested parties. Unanimous support for the aspects of the CCMP has been consistently achieved through the 40-member Santa Monica Bay National Estuary Program Policy Committee. The Policy Committee is supported by a Technical Advisory Committee, Executive Committee, and staff from The Bay Foundation and the State Water Quality Control Board.

Site Description: The Santa Monica Bay consists of a 266 square mile bay and a 400 square mile watershed, located in the second most populous region in the United States. The project site spans a diverse and ecologically significant area, covering coastal waters and adjacent shoreline habitats. This area is known for its rich biodiversity and its role as a critical habitat for a variety of marine and terrestrial species. This urban coastline supports an estimated 70 million visitors annually.

Santa Monica State Beach, the site of the Coastal Dunes Project, is delineated as a Disadvantaged Community by various screening tools (the Outdoor Equity Program Community FactFinder Mapping Tool, CalEnviroScreen Mapping Tool, and Climate and Economic Justice Screening Tool) likely due to the disparity of very low-income communities and high-income communities. The Kelp Forest and Abalone Projects will take place off the Palos Verdes Peninsula. The Abalone Laboratory located at the Southern California Marine Institute and is on Terminal Island in San Pedro. The facility is owned by the Port of Los Angeles and leased by SCMI. The Kuruvungna Village Spring restoration activity is located in the City of Los Angeles

and is on Los Angeles Unified School District land. The two eelgrass transplant sites for the Eelgrass Project will be located near one or more of the following beaches in Malibu: Amarillo Beach, Escondido Beach, and Latigo Beach.

Grant Applicant Qualifications:

The Bay Foundation has been carrying out projects to protect and restore Santa Monica Bay over multiple years and the proposed projects will build on the previous work and lessons learned. The proposed program has broad support from elected officials and community organizations (Exhibit 3). Over the past 10 years, the Conservancy has granted almost $15 million to The Bay Foundation for 10 projects, including seagrass, kelp, abalone, and dune restoration efforts. The Bay Foundation's projects have restored over 62 acres of kelp forest on the Palos Verdes Peninsula, expanded eelgrass coverage over sixfold in Santa Monica Bay and Catalina, enhancing marine habitats for fish and invertebrates. Additionally, abalone restoration has increased viable populations of endangered white, red, and green abalone on local reefs while restored sand dunes have created nesting sites for the threatened western snowy plover and habitats for the endangered El Segundo blue butterfly, underscoring the projects' contributions to coastal resilience and biodiversity recovery.

CONSISTENCY WITH CONSERVANCY'S PROJECT SELECTION CRITERIA:

The proposed program is consistent with the Conservancy's Project Selection Criteria, last updated on September 23, 2021, in the following respects:

Selection Criteria

1. **Extent to which the program helps the Conservancy accomplish the objectives in the Strategic Plan.**

See the "Consistency with Conservancy's Strategic Plan" section below.

2. **Program is a good investment of state resources.**

The proposed program will benefit multiple habitat types in the Bay, positively impacting millions of Los Angeles residents and visitors. The nature-based adaptation projects will protect coastal infrastructure, sequester carbon, and result in cleaner water and more biodiverse ecosystems. The program builds on the ongoing efforts of The Bay Foundation, is scientifically backed, and utilizes many partnerships.

3. **Program benefits will be sustainable or resilient over the project lifespan.**

The program is designed with the intent that the nature-based adaptations will withstand and buffer climate change impacts. For example, eelgrass, kelp, and dunes help to attenuate wave energy and will help to limit the impacts of wave runup that erode beaches during storms, and native vegetation planted in the freshwater wetlands and dunes restoration activities will be drought tolerant and adapted to Southern California climate. Furthermore, native vegetation and seaweed serve as a carbon sink and support for biodiverse ecosystems.

4. **Program delivers multiple benefits and significant positive impact.**

The program aims to enhance coastal resilience to climate change impacts, including sea level rise and increased storm intensity. By restoring habitats, the projects will help buffer wave

energy, reduce erosion, and improve water absorption in inland areas through restoring hardscape with native plants. Protecting the Bay shoreline will allow people to continue to enjoy the beach for years to come and vegetating the beach will improve the aesthetic value.

This program also has a robust workforce development plan with the goal of seeing more representation of systemically excluded communities in marine science and training the next generation of restoration practitioners.

PROGRAM FINANCING

Coastal Conservancy	**$10,260,000**
Program Total	**$10,260,000**

The anticipated source of funding for the proposed program is an appropriation to the Conservancy from the FY 2022-23 General Fund specifically for The Bay Foundation for "restoration of the Santa Monica Bay, including kelp restoration." All projects in the proposed program are for restoration of Santa Monica Bay's habitats, species, and water quality.

CONSISTENCY WITH CONSERVANCY'S ENABLING LEGISLATION:

Chapter 5.5 of Division 21 of the Public Resources Code (Section 31220) provides for the Conservancy's participation in a program of integrated coastal and marine resources protection. Consistent with section 31220(a), in order to improve and protect coastal and marine water quality and habitats, the Conservancy may award grants for living marine resources protection and restoration projects. Conservancy staff has consulted with the State Water Resources Control Board as required by this subsection. Consistent with section 31220(b)(1), the Clean Boating Initiative Project will reduce contamination of water in the coastal zone and marine water by promoting supporting marine composting toilets and other environmentally friendly boating practices, which will reduce the accidental spills that pollute the Bay. Consistent with section 31220(b)(2), the Eelgrass, Kelp Forest, and Coastal Dunes Projects will protect and restore fish and wildlife habitat within coastal and marine waters by restoring eelgrass, kelp, and dune habitat; and the Kuruvungna Village Springs Project will restore freshwater wetlands habitat in the watershed. Consistent with section 31220(b)(3), the program will reduce threats to coastal and marine fish and wildlife by creating healthy habitats that are resilient to climate change impacts and result in a more biodiverse ecosystem, including eelgrass, kelp, dunes, and freshwater wetlands habitat. Consistent with section 31220(c), the projects within the program will each include a monitoring and evaluation component.

CONSISTENCY WITH CONSERVANCY'S 2023-2027 STRATEGIC PLAN:

Consistent with **Goal 1.4 Incorporate Workforce Development**, the program includes a robust workforce development effort that will increase participation of systemically excluded communities in marine science and restoration work through paid internships and partnerships with community-based organizations.

Consistent with **Goal 3.2 Restore or Enhance Habitats**, the program will restore water quality in the Bay by restoring habitat in the watershed and reducing pollution in the Bay and protecting and restoring endangered abalone populations. The projects will directly restore eelgrass (2

acres), kelp (5 acres), dunes (46 acres), and freshwater wetland (2 acres) habitats that will allow the habitat and surrounding communities to be more resilient to impacts from climate change, sequester carbon, restore biodiverse ecosystems, and provide critical habitat for listed species. A total of 55 acres will be restored or enhanced.

CEQA COMPLIANCE:

Eelgrass Project and Kuruvungna Village Springs Project: These projects are each categorically exempt from the California Environmental Quality Act ("CEQA") review under CEQA Guidelines Section 15333 as a small habitat restoration project of less than 5 acres that assures the maintenance, restoration, enhancement, or protection of habitat for fish, plants, or wildlife. The Eelgrass Project is approximately 2 acres, and will sustainably harvest eelgrass shoots from donor beds, consistent with regulations. The Kuruvungna Village Springs Project will restore 2 acres of freshwater wetlands habitat and a very small portion of the project will use some heavy equipment, but only to break apart and remove the concrete surface of a parking lot to enable restoration. The project activities do not involve moving any sediment to or from outside of the project site and will only involve hand labor without the use of mechanical tools. There are no rare or endangered species located at the project sites; accordingly, consistent with CEQA Guidelines Section 15333(a), there would be no significant adverse impact on endangered, rare or threatened species or their habitat pursuant to CEQA Guidelines Section 15065. The project sites do not contain any hazardous materials, and the project only involves moving sand and sediment and planting eelgrass or other native vegetation. Consistent with CEQA Guidelines Section 15333(b), there are no hazardous materials at or around the project sites that would be disturbed or moved. Finally, these projects are consistent with CEQA Guidelines Section 15333(c) because they will not result in impacts that are significant when viewed in connection with the effects of past projects, the effects of other current projects, and the effects of probable future projects. The projects will have a beneficial impact on wildlife.

Abalone Project: This project is categorically exempt from review under CEQA. Pursuant to 14 Cal. Code of Regulations Section 15304(d), projects involving minor alterations in land, water, and vegetation on existing officially designated wildlife management areas or fish production facilities which result in improvement of habitat for fish and wildlife resources or greater fish production are categorically exempt. This abalone restoration project involves the re-introduction and restoration of a small red abalone community in Palos Verdes Peninsula in order to improve fish and wildlife resources.

Kelp Forest Project: This project is categorically exempt from review under CEQA. Pursuant to 14 Cal. Code of Regulations Section 15301, which exempts operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, and includes as examples, 15301(h), maintenance of existing native growth, and 15301(i), maintenance of wildlife habitat areas. The Kelp Forest Project involves the selective culling of sea urchins that are limiting the establishment of historically-present kelp onto bottom substrate areas. The culling of sea urchins is a minor alteration of topographical features to enable native growth and to maintain a wildlife habitat area. No alteration of the nearshore benthic marine environment is involved in the project and no pesticides will be used.

Clean Boater Initiative Project: This project is categorically exempt from environmental review under CEQA pursuant to 14 California Code of Regulations, section 15306, which exempts projects that consist of basic data collection and resource evaluation activities which do not result in a serious or major disturbance to an environmental resource. This project activity involves investigating barriers that boaters perceive to owning or installing a marine composting toilet on their and using this information to engage boaters to encourage them to use more environmentally friendly compostable toilets that reduce the risk of accidental sewage spills that result in poor water quality. This project is also exempt under Section 15301, which exempts operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, in that the project will encourage boat owners to make minor alterations in their boats by swapping out their toilets for marine composting toilets and to operate their boats with more environmentally friendly practices.

Coastal Dunes Project: This project is exempt from CEQA pursuant to Public Resources Code section 21080.56(a)(1). This section exempts projects that conserve, restore, protect, or enhance, and assist in the recovery of California native fish and wildlife, and the habitat upon which they depend.

Specifically, the Conservancy concurs with the Lead Agency, the City of Santa Monica, that the Project meets all the following conditions:

(1) the proposed project activity is exclusively to conserve, restore, protect, or enhance, and assist in the recovery of California native fish and wildlife, and the habitat upon which they depend; or is exclusively to restore or provide habitat for California native fish and wildlife; (2) the project activity may have public benefits incidental to the project's fundamental purpose; (3) the project activity will result in long-term net benefits to climate resiliency, biodiversity, and sensitive species recovery; and includes procedures and ongoing management for the protection of the environment; and (4) project construction activities are solely related to habitat restoration.

A) The project activity is designed to restore coastal dune habitat and will benefit various native wildlife, including listed species.

B) The project activity will have incidental public benefits, including continued access to the coast through delineating trails between sand dunes, beautifying the coast with native vegetation and wildlife, engaging the public with interpretive signage, and creating a natural buffer zone between habitat and coastal infrastructure.

C) The project activity will result in long term net benefits to climate resiliency by restoring the currently flat, groomed beach to native sand dune habitats that act as an erosion buffer to sea level rise and storm surges. Biodiversity will be enhanced by creating a habitat type that is expected support a wide array of native wildlife and sensitive species. In addition, appropriate siting of public access with habitat fencing and monitoring of bird nesting habitat will assist in the recovery of two shorebird species listed under the Endangered Species Act (California least tern and western snowy plover).

D) The project activity does not include construction activities that require heavy vehicles and utilizes biodegradable materials.

Pursuant to section 21080.56(f), the project activity will not weaken or violate any applicable environmental or public health standards.

On August 2, 2024, the Director of California Department of Fish and Wildlife concurred with the Lead Agency (City of Santa Monica) that the project activity is exempt from further CEQA compliance (Exhibit 4).

Upon approval of the project, Conservancy staff will file a Notice of Exemption.