

SECOND REVISED STAFF RECOMMENDATION, 5/5/2022

COASTAL CONSERVANCY

Staff Recommendation
May 5, 2022

This staff recommendation is revised as shown in strike-out and underline. All exhibits remain the same. After posting this staff recommendation, staff revised it on May 4, 2022 and again at the Conservancy meeting on May 5, 2022 prior to the Conservancy's adoption of the Resolution and Findings. This document shows both sets of revisions.

Banning Ranch Acquisition

Project No. 21-046-01
Project Manager: Megan Cooper

RECOMMENDED ACTION: Authorization to disburse up to ~~\$6,000,000~~ \$11,500,000 to the Trust for Public Land to acquire 384 acres of the Banning Ranch property in Newport Beach and unincorporated Orange County.

LOCATION: Newport Beach and Orange County

EXHIBITS

- Exhibit 1: [Project Location and Site Maps](#)
- Exhibit 2: [Project Site Photos](#)
- Exhibit 3: [Project Letters](#)

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 ~~six million dollars~~ eleven million five hundred thousand dollars (~~\$6,000,000~~ \$11,500,000) to the Trust for Public Land ("the grantee") to acquire 384 acres of the Banning Ranch property in Newport Beach and unincorporated Orange County, subject to the following conditions:

1. Prior to the disbursement of funds for the acquisition, the grantee shall submit for the review and approval of the Executive Officer of the Conservancy (Executive Officer):

- a. All relevant acquisition documents for the acquisition including, without limitation, the appraisal, purchase and sale agreement, deed, escrow instructions, environmental or hazardous materials assessment, and title report;
 - b. A baseline conditions report; and
 - c. Evidence that sufficient funds are available to complete the acquisition.
2. The grantee shall pay no more than fair market value for the property, as established in an appraisal approved by the Executive Officer.
 3. The property acquired under this authorization shall be managed and operated for cultural resource protection; open space protection; wildlife habitat; environmental restoration and conservation; potential lower-cost coastal accommodations; and public access, with a special focus on access for tribal nations and other tribal members whose ancestral homeland includes this site ~~local California Native American tribes and people~~ (collectively, the "Acquisition Purposes"). The property shall be permanently dedicated to those purposes by an appropriate instrument approved by the Executive Officer.
 4. Conservancy and US Fish and Wildlife Service funding shall be acknowledged by erecting and maintaining a sign on the property or in a nearby publicly viewable area, the design and location of which are to be approved by the Executive Officer.
 5. The titleholder shall prepare a Tribal Access and Engagement Plan ("Plan") that achieves the following: access to the Real Property, cultural resources, natural resources, and cultural sites with minimal protocols; a "serious effort to engage tribes" consistent with the Coastal Conservancy project selection criteria, including a full fair equitable representation on decision making bodies related to the long term management of the site; meaningful engagement and involvement in the Real Property, for example membership in a management advisory council; potential co-management and ownership of the Real Property; and other actions identified in dialogue with tribal members whose ancestral homeland includes this site.

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 6 of Division 21 of the Public Resources Code, regarding coastal resource enhancement.
 2. The proposed project is consistent with the current Conservancy Project Selection Criteria.
 3. The Trust for Public Land is a nonprofit organization organized under section 501(c)(3) of the U.S. Internal Revenue Code.
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STAFF RECOMMENDATION

PROJECT SUMMARY:

Staff recommends the Conservancy authorize disbursement of up to ~~\$6,000,000~~ \$11,500,000, of which \$1,000,000 will derive from a US Fish and Wildlife Service National Coastal Wetlands Conservation grant, to the Trust for Public Land (“TPL”) to acquire 384 acres at the Banning Ranch property in the Newport Beach and unincorporated areas of Orange County, which will immediately be transferred to the Mountains Recreation and Conservation Authority (“MRCA”) for management as public open space.

The acquisition of Banning Ranch has been sought after by conservation groups for decades as community groups, indigenous tribes, and residents fought off development to protect the site’s unique coastal habitats. Banning Ranch spans 401 acres of undeveloped land between the urban and densely populated cities of Newport Beach and Costa Mesa in Orange County, where the Santa Ana River meets the Pacific (Exhibit 1). Oil production began at Banning Ranch in the late 1940s and continues today with 10% of established wells in operation. Years of oil production on the property has led to degraded habitats and lack of public access, but also spared the property from further development. The Banning Ranch acquisition involves fee-title acquisition of 384 acres of the 401-acre site, which will prevent viable high-density residential development on the property. The property’s oil operations will be confined to a 17-acre portion of the overall 401-acre property.

The acquisition of Banning Ranch is an extremely rare opportunity to enhance coastal resources damaged by decades of oil production and create new multi-benefit public parkland within this highly developed coastal region. Public ownership of Banning Ranch will enable the restoration of ecological resources and the protection of cultural resources, and will provide public access opportunities such as trails and potentially low-impact overnight accommodations. This property is the largest remaining private coastal parcel between Ventura County and the US/Mexico border.

Project Benefits

Acquisition of Banning Ranch will provide the opportunity to restore approximately 100 acres of coastal wetlands, which have seen major declines in southern California but provide essential habitat and flood resilience benefits, buffering surrounding communities from impacts of flooding. There are currently approximately 100 acres of coastal wetlands on the property. These wetlands are cut off from tidal influence but could be reconnected to the tides through the adjacent Santa Ana River Marsh, restoring critical estuarine habitat. In addition, acquisition of Banning Ranch will ensure permanent protection of rare and important coastal habitat types. A biologically diverse mix of freshwater emergent wetlands, estuarine wetlands, uplands, slough, arroyos, mesa, intermittent vernal pools, riparian woodlands, coastal bluff sage scrub, and grasslands thrive within Banning Ranch’s boundaries, unrivaled by other remaining natural communities in Orange County (Exhibit 2). The project will secure documented habitat for nearly 20 threatened or endangered wildlife species, including coastal California gnatcatcher (federally threatened), least Bell’s vireo (federally and state endangered), and San Diego fairy shrimp (federally endangered). Adjacent to the Santa Ana River, the project facilitates critical

wildlife connectivity along the river corridor (particularly for birds). The property's size and intact habitat offers wildlife corridor benefits for birds, bats, estuarine fish, and terrestrial mammals moving along the river corridor and other smaller habitat patches in the region.

Securing the property for public open space will provide new parkland for tens of thousands of residents within walking distance, including the roughly 30,000 disadvantaged and park-poor community residents that live adjacent to or less than two miles from the property. Existing access roads on the property could easily transition to a trail network, and the flat conditions of the mesa offer the opportunity for ADA compliant trails with stunning ocean views. A small portion of the site, which currently has a small office and other structures, could potentially be a site for low-impact, lower-cost overnight accommodations. This site is on the bluff overlooking PCH with a panoramic view of the Pacific (Exhibit 2).

The project will also protect significant cultural resources and important indigenous lands. Documented evidence shows that indigenous people inhabited Banning Ranch for at least 3,000 years. The Banning Ranch site, in addition to the adjacent Fairview Park and other bluff areas near the Santa Ana River, is believed to have been part of the native village site known as Genga (or Gengaa). The indigenous community, represented by members of the Acjachemen and Gabrielino/Tongva/Kizh tribes, see the Banning Ranch site as an important site for their people and would like to participate in the management of the land once it is purchased, and pursue future acquisition of a portion of the site. TPL, MRCA, and the funding agencies are engaging with the tribal community to plan for tribal access to and involve the tribes in the management of the site. Acquisition of Banning Ranch will enable California Native American people and tribes to access and use the property for traditional cultural purposes.

Project History

The original Banning Ranch was purchased by the Hollister-Banning family in 1874 as farming and ranching land. In 1949 oil extraction began on the property. Over the last approximately 75 years, residential and commercial areas within the neighboring cities of Newport Beach and Costa Mesa slowly grew right up to the boundaries of Banning Ranch. In the early 2000s, the sellers (Newport Banning Ranch, LLC) began the process of consolidating oil production into a 17-acre footprint and developing the remaining property into housing. In 2008, the sellers submitted plans for Newport Banning Ranch (NBR) - a mixed use development of 1,375 residential dwelling units, 75,000 square feet of commercial uses, and a 75-room resort inn. The sellers submitted a Draft Environmental Impact Report (EIR) for NBR in 2011 and the City of Newport Beach approved the EIR in 2012. This situation caused public outcry and launched several years of litigation led by the nonprofit Banning Ranch Conservancy (BRC). In 2016, the Coastal Commission denied a coastal development permit for the NBR. In 2017, the California Supreme Court ruled that the City of Newport Beach failed to follow CEQA in approving the EIR and mandated the City to rescind approval. These events opened the door to purchasing the property for conservation.

In 2019, TPL and the BRC began to work with the sellers to seek permanent protection of Banning Ranch by negotiating to purchase the property. TPL negotiated an Option Agreement with the landowner, which has been in place since April 2020. In 2022, the Conservancy was awarded a \$1 million National Coastal Wetlands Conservation Grant from the U.S. Fish and

Wildlife Service for the acquisition of the Banning Ranch property. Despite an appraised value of \$97 million, nearly all funds are in place to complete this historic acquisition through a combination of private, state, and federal funds. The possibility to acquire the property was kick-started by a single \$50 million donation from the Randall Family to the Banning Ranch Conservancy, which was subsequently transferred to TPL.

Despite the setback to the original NBR development, a scaled-back development project of several hundred residential units is still feasible for the property. While the Newport Beach General Plan prioritizes Banning Ranch as a protected open space amenity with restored wetlands, habitat areas, and community parklands, the General Plan also provides an opening for development if an open space outcome does not work out. Per Land Use Element, Chapter 1, Page 3-70: "Should the property not be fully acquired as open space, the Plan provides for the development of a concentrated mixed-use residential village that retains the majority of the property as open space." Based on regulatory agency interviews and the general plan provision, the appraiser determined that a scaled back development including several hundred units is feasible for approval by both the Coastal Commission and California Department of Fish and Wildlife (CDFW) and would constitute the highest and best use of the property. If TPL is not able to secure funding by the time the option expires, the current landowners are prepared to revise the proposed development project to a design that will pass approval stages.

Acquisition Process

The general structure of the acquisition is that TPL will purchase the property from the current landowner and then transfer the property to MRCA to manage the land as a nature preserve and public park in perpetuity. The transactional process phase of the project is secured through an executed Option Agreement between TPL and the seller (signed April 2, 2020). The Option Agreement provided an extended timeframe to complete the acquisition by June 30, 2022, so that TPL could secure funds for the purchase. Per the terms of the Option Agreement, upon completion of the sale of 384 acres to TPL and subsequent transfer to MRCA by directed deed, the property's oil operations will be confined to a 17-acre portion of the overall 401-acre property. Access to the oil operations will be restricted to an existing road from Pacific Coast Highway and the 17-acre inholding area (Exhibit 1).

An October 2019 appraisal for the property determined fair market value of the 384-acre portion of the property to be purchased by TPL to be \$97 million. The Department of General Services (DGS) approved the appraisal in August 2020, as part of a funding request by TPL to the WCB. WCB has initiated an appraisal update, which is currently under review by DGS. The Conservancy will rely on DGS's appraisal review for our required due diligence prior to closing. The estimated closing date is June 30, 2022.

A Phase 1 Environmental Site Assessment completed by the Newport Banning Ranch, LLC documented hazardous materials associated with the approximately 75 years of oil operations on site. The seller will remediate the site to the standards outlined in a Remediation Action Plan (RAP), the addendum to which is being prepared and will be approved by the Santa Ana Regional Water Quality Control Board prior to purchase. The California Geologic Energy

Management Division and the Regional Water Quality Control Board will lead the process to ensure regulatory compliance of the RAP. The seller will securitize the remediation with a letter of credit, performance bond or similar instrument, held in favor of MRCA. If the landowner does not remediate to the satisfaction of the various regulatory bodies, MRCA will have the ability to draw on the security instrument and conduct the remediation at their direction.

The mineral rights 500 feet beneath the property are owned by Horizontal Development, LLC, a subsidiary of Armstrong Petroleum. Horizontal Development will retain the "Oil Remainder" parcel, or the 17-acre inholding that is not part of this acquisition. Horizontal Development may use the 17-acre property to slant drill beneath the Banning Ranch property in order to access their mineral rights. This slant drilling operation proposal was approved by the Coastal Commission as part of the CDP approval for the Banning Ranch oil and gas production, but will require further state regulatory permits in order to actively begin the drilling operations. TPL is working with CDFW staff to draft a Minerals Memo that will show that any subsurface minerals extraction will be restricted to a depth of 500 feet and only accessible from off-site. No surface disturbance for oil and gas extraction will be allowed on the 384 acres to be acquired by TPL.

Site Description: Banning Ranch spans 401 acres of undeveloped land between the urban and densely populated cities of Newport Beach and Costa Mesa in Orange County, where the Santa Ana River meets the Pacific. The site supports critical biological diversity, and portions of the property are designated by the Coastal Commission as Environmentally Sensitive Habitat Areas (ESHA). These areas include approximately 100 acres of coastal wetlands and 200 acres of coastal sage scrub, providing habitat for nearly 20 threatened or endangered wildlife species. The property contains approximately 45 vegetation types.

According to the CDFW comment letter regarding the 2012 Newport Banning Ranch EIR, vital conservation values were identified that this project will support, including areas in need of special protection. The property's vernal pool complex is one of only two left on the Orange County coast and hosts endemic plants and animals including the federally endangered San Diego fairy shrimp. CDFW cited the importance of the lowland and upland mesa in supporting sensitive plant and animal species. Southern coastal scrub and maritime succulent scrub habitat on the property were ranked as "extremely rare" and at "very high risk of extinction," with severely limited distribution throughout the state. Purple needle grass on the property is extirpated from 95% of its former range and is critical as foraging habitat for burrowing owl (CDFW-listed as special concern and nearing extirpation from its range in Orange County). The property also provides nesting habitat for burrowing owl and burrowing owl were observed wintering on the property as recently as 2010. Southern arroyo willow riparian forest also exists on the property, which CDFW considers "very rare" habitat.

Grant Applicant Qualifications: TPL creates parks and protects land for people, ensuring healthy, livable communities for generations to come. Since 1972, TPL has completed 4,695 land conservation projects in all 50 states, protecting more than 3.8 million acres. In California, TPL has completed 724 conservation projects, protecting over 475,672 acres. Specializing in

complex land and water transactions, and with the staff necessary to complete the project in-house, TPL has the experience to successfully close on the proposed project.

TPL has received many grants from California state agencies, including grants from the State Coastal Conservancy. TPL has the capacity to negotiate grant agreements, close on acquisition projects, and report on spent funds. TPL has the fiscal capacity to raise the funds necessary to close escrow, place deed restrictions on the property, and transfer the property to MRCA for long-term ownership.

The MRCA has the capacity to own and manage the property for the long-term. The MRCA is dedicated to the preservation and management of open space and parkland, wildlife habitat, watershed lands, and trails in both wilderness and urban settings, and to ensuring public access to parkland. The MRCA manages more than 75,000 acres of parkland that it owns or that is owned by the Santa Monica Mountains Conservancy. It provides operations, ranger services, fire prevention, outreach, and community-based planning to encourage all southern Californians to experience nature.

CONSISTENCY WITH CONSERVANCY'S PROJECT SELECTION CRITERIA:

The proposed project 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 project helps the Conservancy accomplish the objectives in the Strategic Plan.

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

2. Project is a good investment of state resources.

Acquiring 384 acres of Banning Ranch is an unprecedented opportunity to protect a large, valuable coastal property from development and conserve the habitat, cultural resources, and public access opportunities at the site. The site is being purchased for approximately \$252,000 per acre, which is much lower than many open-space acquisition projects in Southern California. The project will also leverage significant federal and private funding with State funding.

The acquisition of Banning Ranch is consistent with the recent draft Pathways to 30x30 California (2021) that commits California to the goal of conserving at least 30 percent of our lands and coastal waters by 2030 to combat the biodiversity and climate change crises. The project particularly supports the strategic priority to "Execute Strategic Land Acquisitions" to conserve land and coastal waters that reduce risks from climate impacts and build climate resilience to protect climate vulnerable communities and ecosystems.

3. Project includes a serious effort to engage tribes. Examples of tribal engagement include good faith, documented efforts to work with tribes traditionally and culturally affiliated to the project area.

The project includes the development of a Tribal Access and Management Plan (“Tribal Plan”) for the property. The Tribal Plan will be one component of the Property Management Plan, and will be prepared by MRCA and representatives of the Acjachemen and Gabrieleno/Tongva/Kizh Nations within two years of close of escrow. TPL, MRCA, and the funding agencies initiated discussions with the tribal community about the property ~~in February 2022~~ on July 2nd, 2021 and conducted a site visit for tribal members in April 2022.

4. Project benefits will be sustainable or resilient over the project lifespan.

The project will continue to provide benefits to the public in perpetuity. MRCA will manage the property as a public park and will employ their staff of rangers and land managers to protect and restore habitats on the property, create and manage public access, and engage with stakeholders with ongoing management. Within three years of the close of escrow, MRCA will submit a Property Management Plan to the Conservancy for approval by the Executive Officer. The management plan will describe the restoration, public access, and tribal access opportunities for the site and will describe how sensitive ecological and cultural resources will be balanced with public access. The plan will be developed with significant input from community groups and tribal representatives. The Property Management Plan will help MRCA develop the costs for long-term management and stewardship of the property. The initial costs to develop the plan will be covered by the Randall Family donation and the long-term stewardship costs will be covered by MRCA’s revenue from their other parks or possibly by accommodations at this site if they are developed.

The remediation of the previous oil operations and associated habitat restoration will improve climate resilience of the property by improving ecological function. The opportunity to restore 100 acres of wetlands on the property will improve sea-level rise resilience of the wetlands. The property provides opportunities for upslope migration of wetlands with sea level rise.

5. Project delivers multiple benefits and significant positive impact.

The proposed acquisition will deliver multiple benefits including permanently protecting 384 acres of endangered species habitat, providing opportunities to restore wetlands, creating new opportunities for coastal access, and extinguishing the potential for development and its associated impacts.

6. Project planned with meaningful community engagement and broad community support.

Community involvement is at the heart of conservation efforts for Banning Ranch. In 1999, in response to proposed development onsite, the community created the Banning Ranch Park and Preserve Task Force through the Sierra Club to preserve the property as open space. As other attempts to develop the property geared up, the citizens of Newport Beach approved a ballot initiative amendment to the city’s General Plan in 2006 to prioritize Banning Ranch as a protected open space amenity with restored wetlands, habitat areas, and community parkland. However, the General Plan includes a secondary goal that would allow development if the property cannot be fully acquired as open space. The need to actively protect the property prompted the community to create the Banning Ranch Conservancy in 2008 to pursue acquisition and conservation. The BRC, the Banning Ranch Park and Preserve Task Force, Native American tribes, and other environmental groups and the public have since fought for the

protection of Banning Ranch through organized participation in public review processes and litigation. The culmination of this community-wide effort was the 2017 California Supreme Court decision to require the City of Newport Beach to rescind its 2012 approval of the development project that included 1,375 homes.

The drive to conserve Banning Ranch remains strong throughout the local Newport Beach-Costa Mesa area, as well as the greater Orange County region. Project supporters include local and regional environmental groups, social equity organizations, tribal representatives, schools, and neighboring businesses. Over 23 local and state organizations signed onto a coalition to protect the property. Public agencies that support the project include those that have supported the project either in-kind or financially, including CDFW, WCB, California Natural Resources Agency, and the US Fish and Wildlife Service. Finally, Assemblywoman Petrie-Norris was instrumental in securing \$8,000,000 from the state general fund for the protection of Banning Ranch.

PROJECT FINANCING

Coastal Conservancy	\$6,000,000 <u>\$11,500,000</u>
California Natural Resources Agency	\$14,000,000
Wildlife Conservation Board	\$10,000,000 <u>\$15,500,000</u>
Department of Fish and Wildlife	\$8,000,000
US Fish and Wildlife Service	\$11,000,000
Randall Family Gift	\$47,000,000 <u>\$48,000,000</u>
Project Total	<u>\$97,000,000</u>

There are three anticipated sources of Conservancy funding for this project. The first is the FY 2016 appropriation of the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 (“Proposition 84”), codified at Public Resources Code (PRC) Section 75001 et seq. Proposition 84 authorizes the use of these funds for the purpose of protecting natural habitat values of coastal lands of the state and for promoting access to and enjoyment of coastal resources of the state (PRC Section 75060). Conservancy projects funded pursuant to Proposition 84 must be consistent with Division 21 (PRC Section 75060(b)). Finally, for projects that include the acquisition of property for natural resource protection, Proposition 84 requires the Conservancy to give priority to those that meet one or more of the criteria identified at PRC Section 75071.

The proposed acquisition satisfies two of the specified criteria in Section 75071. Pursuant to subsection (c) the project will protect a large area of coastal bluff, coastal sage scrub, and coastal wetlands habitat, which are all under-protected habitat types. Per subsection (e), the project has more than fifty percent non-state matching contributions. As also required by Section 75071, staff have submitted to the Resources Agency and have posted on the Conservancy’s website an explanation as to how the proposed acquisition meets these criteria.

The second anticipated source of Conservancy funds is the fiscal year 2014 and 2021 appropriations from the Habitat Conservation Fund (HCF), which was created by the California Wildlife Protection Act of 1990 (Proposition 117). Pursuant to Fish and Game Code Section 2786, HCF funds may be used for acquisition of habitat to protect rare, endangered, threatened, or fully protected species (subsection b). Acquisition of the subject property will serve to protect sensitive habitat for nearly 20 threatened or endangered wildlife species, including coastal California gnatcatcher (federally threatened), least Bell's vireo (federally and state endangered), and San Diego fairy shrimp (federally endangered). Fish and Game Code Section 2794 requires that the state or local agency that manages lands acquired with HCF funds shall prepare, with full public participation, a management plan for lands that have been acquired, which plan shall reasonably reduce possible conflicts with neighboring land use and landowners, including agriculturists. The MRCA's restoration plan (see Selection Criteria #4 above) will comply with these requirements.

The third Conservancy funding source is a \$1,000,000 grant from the US Fish and Wildlife Service to the Coastal Conservancy through a National Coastal Wetlands Conservation grant for acquisition of the Banning Ranch property. Nine hundred and seventy thousand dollars of the USFWS grant will directly fund the acquisition of the property, while the remaining \$30,000 will pay for Conservancy staff costs.

The project is being funded by more than fifty percent non-state matching funds including ~~grants from the US Fish and Wildlife Service (\$11 million in addition to the \$1 million grant to the Conservancy)~~ and a large private donation from the Randall Family. Approximately \$2 million of the Randall Family's \$50 million donation will go toward planning and stewardship costs for the property. Although these other sources of funding contribute to prioritizing this project for Proposition 84 funding, the project also qualifies under other prioritization criteria. Staff is not recommending that these other sources of funds be required as a condition of the Conservancy grant. Accordingly, consistent with typical practice, staff will not require documentation of expenditures from other funders. Typical grant conditions require grantees to provide any funds needed to complete the project.

CONSISTENCY WITH CONSERVANCY'S ENABLING LEGISLATION:

The proposed project is undertaken pursuant to Section 31251 *et seq.* of the Public Resources Code (Chapter 6 of Division 21), as described below.

Pursuant to Section 31251, the Conservancy may award grants to nonprofit organizations for the purpose of enhancement of coastal resources that, because of natural or human-induced events have suffered loss of natural and scenic values. Grants under this chapter are to be utilized for, among other purposes, the assembly of parcels of land within coastal resource enhancement areas to improve resource management and for relocation of improperly located or designed improvements. Acquisition of Banning Ranch will improve management of coastal resources and will facilitate enhancement of 100 acres of coastal wetlands and other coastal habitat that have suffered loss of natural and scenic value due to decades of oil and gas production.

The Banning Ranch property is not included within a certified local coastal program. However, acquisition of Banning Ranch and future enhancement of its coastal resources is consistent with the Coastal Act. Consistent with Public Resources Code Section 30001.5, the project will (a) Protect, maintain, and, where feasible, enhance and restore the overall quality of the coastal zone environment and its natural and resources; (b) Ensure orderly, balanced utilization and conservation of coastal zone resources taking into account the social and economic needs of the people of the state; and (c) Maximize public access to and along the coast and maximize public recreational opportunities in the coastal zone consistent with sound resources conservation principles. Pursuant to Section 30231 of the Coastal Act, the project will maintain and facilitate future enhancement of the biological productivity and quality of coastal wetlands. Pursuant to Section 30240(a), the project will protect environmentally sensitive habitat areas against any significant disruption of habitat values.

Pursuant to Section 31253, the Conservancy may provide up to the total cost of any coastal resource enhancement project. Consistent with Section 31253, the following factors were considered in determining the amount of Conservancy funding for this project: the total amount of funding available for coastal resource enhancement projects, the fiscal resources of the applicant, the urgency of the project, and the Conservancy's project selection criteria, as described in detail below, under the heading "Consistency with Conservancy's Project Selection Criteria & Guidelines." The Conservancy's funds for the property acquisition constitute less than five percent of the total purchase price.

CONSISTENCY WITH CONSERVANCY'S [2018-2022 STRATEGIC PLAN](#) GOAL(S) & OBJECTIVE(S):

Consistent with **Goal 5, Objective A** of the Conservancy's 2018-2022 Strategic Plan, the proposed project will protect 383 acres of significant coastal and watershed resources and create a large, publicly-accessible open space park.

CEQA COMPLIANCE:

The proposed project is categorically exempt from the California Environmental Quality Act pursuant to 14 Cal. Code of Regulations Section 15325 as a transfer of ownership of interests in land in order to preserve open space and existing natural conditions, including habitat. The exemption explicitly includes acquisitions to allow protection and restoration of natural conditions, to prevent encroachment of development into flood plains, and to preserve open space or lands for park purposes (Section 15325, subsections (a), (c), (d) and (f)). The proposed project will preserve the Banning Ranch property along the Santa Ana River for habitat and open space, preventing residential development and allowing for future restoration of the site.

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