

COASTAL CONSERVANCY

Staff Recommendation
October 23, 2003

PERMIT COORDINATION PROGRAM FOR SANTA CRUZ COUNTY – PHASE 2

File No. 03-121
Project Manager: Kate Goodnight

RECOMMENDED ACTION: Authorization to disburse up to \$106,500 to the Santa Cruz County Resource Conservation District to develop Phase 2 of the Permit Coordination Program.

LOCATION: Santa Cruz County

PROGRAM CATEGORY: Watershed Restoration

EXHIBITS

Exhibit 1: April 24, 2003 Staff Recommendation [*appended to end of this document*]

Exhibit 2: Letters of Support

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 the disbursement of an amount not to exceed one hundred six thousand five hundred dollars (\$106,500) to the Santa Cruz County Resource Conservation District (“SCCRCD”) to develop Phase 2 of the Permit Coordination Program for Santa Cruz County, subject to the condition that prior to disbursement of any funds for the project, the SCCRCD shall submit for the review and approval of the Executive Officer a work program, schedule for completion, project budget, and any subcontractors to be used to carry out the project.”.

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 project is consistent with Public Resources Code Section 31220, regarding the Conservancy’s mandate to restore watersheds.
2. The proposed project is consistent with the Project Selection Criteria and Guidelines adopted by the Conservancy on January 24, 2001.

3. The proposed project is consistent with local watershed management plans and water quality control plans.”
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PROJECT SUMMARY:

Approval of the proposed project will allow the Santa Cruz County Resource Conservation District (SCCRCD) to complete the development of a Partners in Restoration (PIR) permit coordination program and other permit streamlining mechanisms to promote coastal watershed restoration in Santa Cruz County.

On April 24, 2003, the Coastal Conservancy approved funding for development of Phase 1 of a permit coordination program for Santa Cruz County. The staff recommendation for this first phase is attached as Exhibit 1 and provides complete information on the scope and nature of this project. The resulting work product of Phase 1, “Feasibility Study for the Partners in Restoration (PIR) Santa Cruz Countywide Permit Coordination Program,” was submitted by Sustainable Conservation in August 2003. The purpose of the report was to assess the feasibility of obtaining necessary regulatory approvals for the PIR Program for Santa Cruz and identify a long-term management and funding strategy to implement the program once it is in place. The report provides background on the development of the project, a summary of the progress over the last several months, and a discussion of the feasibility of successfully developing and implementing the countywide permit coordination program in Santa Cruz. It is clear from this report that there is extensive support from the regulatory agencies to proceed with the completion of the permit coordination program.

Regulatory partners involved in the development and approval of this program include:

- U.S. Fish and Wildlife Service (USFWS)
- National Marine Fisheries Service (NMFS)
- U.S. Army Corps of Engineers (USACE)
- U.S. Environmental Protection Agency (USEPA)
- California Department of Fish and Game (CDFG)
- California Coastal Commission
- Regional Water Quality Control Board – Region 3 (RWQCB)
- County of Santa Cruz

Under the proposed program, regulatory agencies will enter into programmatic agreements with the Natural Resources Conservation Service (NRCS) and the Santa Cruz County Resource Conservation District (SCCRCD) to approve 15 specific standardized conservation practices that will improve habitat (aquatic and terrestrial) and soil stability on farms, ranches, and other rural properties. The practices selected for coverage under the permit coordination program include both upslope and instream work. The conservation practices are relatively small in size, have demonstrated a net environmental benefit, and are usually performed for erosion control or restoration in and around waterways. The NRCS and SCCRCD selected these practices based on the recommendations outlined in watershed assessment and enhancement plans as well as their general understanding of landowner needs and resource concerns in the County.

The SCCRCD and NRCS have estimated that 50-75 projects could potentially be implemented under the five-year program. However, as seen in the Elkhorn Slough watershed, it is likely that

expectations could be exceeded both in terms of the number, type, and quality of projects being implemented once the program is in place. Because many landowners in Santa Cruz have avoided projects altogether in the past due to the permitting challenges, the permit coordination program is expected to be hugely valuable in expanding the potential for restoration work on private lands in Santa Cruz County.

Under the proposed Phase 2 project, the SCCRCD and Sustainable Conservation will complete and submit the permit applications to the regulatory agencies; meet with community groups to inform them of the program; develop a training manual for NRCS and SCCRCD staff on implementing, monitoring, and evaluating the program; and shepherd the permits through the final process. In addition, Phase 2 will also include the completion of the Phase 1 task concerning the assessment of mechanisms to facilitate permitting of watershed restoration and enhancement projects not covered by the PIR Program, which was delayed due to timing issues related to the discussions surrounding the PIR Program and the development of the Integrated Watershed Restoration Program for Santa Cruz County, of which permit coordination is a key component.

The SCCRCD has a proven track record for successfully administering Coastal Conservancy grants, including the completed Arana Gulch Watershed Enhancement Plan, the Lower Pajaro River Tributaries Sediment Assessment, and the Soquel Creek Watershed Enhancement Plan.

Site Description: The project area consists of all the watersheds in Santa Cruz County. Ranging from 138 square miles (San Lorenzo River) to 3.5 square miles (Arana Gulch), these coastal streams descend from the steep, highly erodible Santa Cruz Mountains to drain into the Monterey Bay National Marine Sanctuary. There are 38 species listed as threatened or endangered under the State and Federal Endangered Species Acts, and 38 species considered to be rare or species of concern, including coho salmon, steelhead, red-legged frog, and marbled murrelet. Non-urban land uses in the watersheds include orchards and row crops, timber harvest, rural residential, extensive road infrastructure, cattle grazing, and parks and recreation.

Project History: With the completion of watershed assessments for all of the major drainages in the county, most of which were funded by the Conservancy, it is clear that mechanisms to facilitate permitting of restoration projects recommended in the plans are needed. Based on the success of the permit coordination program in Elkhorn Sloughs and elsewhere, the Conservancy worked with Sustainable Conservation, the RCD, and the NRCS to propose the development the first ever county-wide permit coordination program. The Conservancy funded Phase 1 on April 24, 2003 to complete a feasibility study for the Santa Cruz County program, which demonstrated the willingness of the regulatory agencies to participate and the high likelihood of success for such a program. The current proposal for Phase 2 is to complete the development of the program.

PROJECT FINANCING:

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| Coastal Conservancy | \$106,500 |
| In-kind services (NRCS, RCD, regulatory agencies) | <u>40,000</u> |
| Phase 2 Total: | \$146,500 |
| Total Project Cost | \$310,500 |

The anticipated source of Conservancy funds for the proposed project is an appropriation from the Watershed, Clean Beaches, and Water Quality Act of 2002 (Proposition 40). These funds are

available for coastal watershed protection projects authorized under Public Resources Code Section 31220 (see the “Consistency with Conservancy’s Enabling Legislation” section below).

CONSISTENCY WITH CONSERVANCY’S ENABLING LEGISLATION:

This project would be undertaken pursuant to Chapter 5.5 (Section 31220) of the Conservancy’s enabling legislation, Division 21 of the Public Resources Code, regarding watershed restoration projects. Consistent with §31220(a), the proposed program would streamline public and private efforts to improve coastal water quality, and staff has consulted with Regional Water Quality Control Board 3 in the development of the project to ensure consistency with Chapter 3 (commencing with §30915) of Division 20.4 of the Public Resources Code, the Clean Beaches Program established by the Watershed, Clean Beaches, and Water Quality Act.

Phase 2 of the Permit Coordination Program for Santa Cruz County is consistent with §31220(b) in that it will result in a permit coordination program designed to improve watershed restoration. Section 31220(b)(3) authorizes the Conservancy to award grants for projects that will reduce erosion and sedimentation of coastal watersheds, expressly including permit coordination projects for watershed restoration.

Consistent with §31220(c), staff has consulted with the State Water Resources Control Board on project selection, checked for consistency with local watershed management plans and water quality control plans adopted by the State Water Resources Control Board and Regional Water Quality Control Boards (see the “Consistency with Local Watershed Management Plan/State Water Quality Control Plan” section below), and has included a monitoring and evaluation component in the project.

The proposed project is consistent with the 1994 certified Santa Cruz County General Plan and Local Coastal Program as described in the "Consistency with Local Coastal Program Policies" section below.

CONSISTENCY WITH CONSERVANCY’S STRATEGIC PLAN GOAL(S) & OBJECTIVE(S):

Consistent with **Goal 6 Objective A**, the proposed project will result in a completed watershed plan for permit coordination in Santa Cruz County.

Once implemented, the permit coordination program will provide technical and financial assistance to landowners to construct watershed restoration projects that would ordinarily not occur due to the existing difficulties and costs associated with obtaining permits for environmentally beneficial projects. By increasing the number of watershed restoration projects undertaken, the permit coordination program will result in:

- Improved riparian habitat corridors – **Goal 5 Objective B**
- Removal of invasive species – **Goal 5 Objective C**
- Improved water quality – **Goal 6 Objective B**
- Reduced regional sedimentation – **Goal 6 Objective D**
- Improved fish passage and other watershed restoration – **Goal 6 Objective A**
- Improved agricultural practices – **Goal 7 Objective B**

**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:** The proposed project is consistent with the anticipated funding source: the Watershed, Clean Beaches, and Water Quality Act of 2002 (Proposition 40). These funds may be used for coastal watershed protection projects authorized under Section 312220 of the Public Resources Code (see the "Consistency with Conservancy's Enabling Legislation" section above).
3. **Support of the public:** This project continues to have the support of Assemblymember John Laird and State Senator Bruce McPherson. In order for this project to be successful, it is critical that the regulatory agencies with jurisdiction in watersheds be supportive. The following agencies have indicated support and have committed staff time to pursuing the project: the U.S. Army Corps of Engineers, the U.S. Fish and Wildlife Service, the National Marine Fisheries Services, the California Department of Fish and Game, the Regional Water Quality Control Board, the Coastal Commission, and the County of Santa Cruz. Additionally, the Monterey Bay National Marine Sanctuary, the Arana Gulch Watershed Alliance, the Scott Creek Watershed Council, and the Coastal Watershed Council all support this project. See Exhibit 2.
4. **Location:** The project area covers the watersheds in Santa Cruz County, all of which drain into the Monterey Bay National Marine Sanctuary.
5. **Need:** Currently the time, cost, and complexity of obtaining permits for watershed restoration projects act as strong disincentives to private landowners. Given that six of the County's watersheds are on the federal Clean Water Act Section 303(d) list of impaired waterways for California and several more are targeted for Coho and steelhead recovery, there is a compelling need to establish permit coordination mechanisms to encourage and facilitate restoration projects. Additionally, there are eight watershed plans completed that are recommending a slew of specific restoration projects that will require permits to implement. The regulatory agencies all recognize that the development of permit coordination programs and other permit streamlining processes are needed to facilitate the implementation of environmentally beneficial projects.
6. **Greater-than-local interest:** The permit coordination program and other permit streamlining mechanisms developed by this project will serve to improve water quality and riparian and aquatic habitat. This will benefit several sensitive species, including the Coho and steelhead fisheries and other coastal resources. Additionally, by being the first permit coordination program developed for an entire county, the project will serve as a model for other counties.

Additional Criteria

The project continues to meet the additional criteria outlined in Exhibit 1.

CONSISTENCY WITH THE COASTAL ACT:

The proposed project continues to be consistent with the Coastal Act, Section 30231 of the Public Resources Code, as described in Exhibit 1.

CONSISTENCY WITH LOCAL COASTAL PROGRAM POLICIES:

The proposed project continues to be consistent with the County's 1994 certified General Plan and Local Coastal Program (LCP) as described in Exhibit 1.

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

The development of a permit coordination program and other mechanisms to facilitate the implementation of watershed restoration projects is specifically recommended in the Monterey Bay National Marine Sanctuary's "Water Quality Protection Program for Monterey Bay National Marine Sanctuary Action Plan IV: Agriculture and Rural Lands" (1999) and is consistent with the thirteen local watershed management plans for watersheds in Santa Cruz County.

Because it will facilitate the restoration of fish and wildlife habitat in coastal watersheds and wetlands, including habitat for the state- and federally-listed anadromous coho salmon and steelhead, the project is also 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:

- Estuarine habitat
- Wildlife habitat
- Rare, Threatened, or Endangered Species
- Migration of Aquatic Organisms
- Spawning, Reproduction, and/or Early Development.

COMPLIANCE WITH CEQA:

The proposed project is categorically exempt from review under the California Environmental Quality Act (CEQA) pursuant to 14 Cal. Code of Regulations Section 15262, in that it would involve only planning studies and feasibility analyses for possible future actions which the agency has not approved, adopted, or funded. The project is also exempt under §15306, which exempts basic data collection and resource evaluation activities. Environmental factors will be considered in the studies undertaken pursuant to this authorization. Upon approval, staff will file a Notice of Exemption for this project.

EXHIBIT 1

COASTAL CONSERVANCY

Project Synopsis b.
April 24, 2003

PERMIT COORDINATION PROGRAM FOR SANTA CRUZ COUNTY – PHASE 1

File No. 02-121
Project Manager: Kate Goodnight

RECOMMENDED ACTION: Authorization to disburse up to \$100,000 to the Santa Cruz County Resource Conservation District to prepare a feasibility report as the first phase in developing a permit coordination program for Santa Cruz County.

LOCATION: Santa Cruz County (Exhibit 1)

PROGRAM CATEGORY: Resource Enhancement

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|------------------------|---|------------------|
| ESTIMATED COST: | Coastal Conservancy | \$100,000 |
| | USDA Natural Resources Conserv. Service | 35,000 |
| | Santa Cruz Co. Community Foundation | 10,000 |
| | In-kind services (NRCS, RCD, County) | <u>19,000</u> |
| | Total | \$164,000 |

The anticipated source of Conservancy funds for the proposed project is an appropriation from the Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Act of 2000 (Proposition 12) for coastal resource enhancement projects.

PROJECT SUMMARY: Approval of the proposed project will allow the Santa Cruz County Resource Conservation District (SCCRCD) to prepare a report on the feasibility of developing a permit coordination program and other permit streamlining mechanisms to promote coastal watershed restoration in Santa Cruz County. Six of the watersheds in the county are on the federal Clean Water Act Section 303(d) list of impaired waterways for California; four are targeted in the California Department of Fish and Game's Coho recovery plan; and more than six watersheds have the potential to recover or enhance steelhead fisheries. Current land practices have exacerbated bank erosion leading to soil loss, bank instability, loss of riparian habitat, sedimentation of fishery habitat, water quality problems, and flooding issues. In or-

EXHIBIT 1

der to counteract this degradation, private landowners need to implement projects that will reduce erosion and promote properly functioning watersheds. These types of projects include revegetation, streambank stabilization, and fish passage improvements, among others. However, the time, cost, and complexity of regulatory review for watershed restoration projects are strong disincentives to landowners interested in implementing environmentally beneficial projects. Most landowners will continue with current land use practices if the time and financial costs of seeking governmental approvals exceed the benefits of engaging in conservation activities.

The nonprofit organization Sustainable Conservation and the USDA Natural Resources Conservation Service (NRCS) successfully established the first permit coordination program in California in Elkhorn Slough. Permit coordination programs consist of regulatory agencies entering into programmatic agreements with the NRCS and the local Resource Conservation District (RCD) that cover specific, NRCS-approved conservation practices. These practices are for projects relatively small in size, that have demonstrated a net environmental benefit, and are usually performed for erosion control or restoration in and around waterways. These agency programmatic agreements create “one-stop regulatory shopping” for the landowner who works solely with the NRCS/RCD to develop a conservation plan for its property using the practices and conditions that have been approved by the regulatory agencies to mitigate environmental impacts. The landowner benefits from personalized technical advice, reduced permit costs and complexity, and shorter permit approval times. The NRCS/RCD is responsible for monitoring the projects and reporting back to the regulatory agencies. This considerably reduces the staff and time burdens of the regulatory agencies while still maintaining accountability for environmental protection.

Permit coordination programs are widely acknowledged to be a key tool for facilitating the implementation of conservation and restoration projects. Permit coordination programs are recommended in numerous plans and reports, including the Resources Agency report to the Legislature, “Addressing the Need to Protect California’s Watersheds: Working with Local Partnerships” (2002), the Resources Agency’s Task Force report, “Removing Barriers to Restoration” (2003), and the Monterey Bay National Marine Sanctuary’s *Water Quality Protection Program: Agriculture and Rural Lands Action Plan* (1999). In addition to Elkhorn Slough, permit coordination programs have been completed or are underway in the Salinas River, Morro Bay, Navarro River, and in three coastal water-

EXHIBIT 1

sheds in Marin County. The proposed project will be the first time a permit coordination program has been developed for an entire county, which will provide considerable cost savings and greater applicability than a single-watershed approach. This county-wide approach is a key component of the “Integrated Watershed Restoration Program for Santa Cruz County” developed by the Coastal Conservancy, the SCCRCD, the City and County of Santa Cruz, the Coastal Watershed Council, and the California Department of Fish and Game.

There are eight watershed plans complete or nearly complete in Santa Cruz County, all of which have identified and prioritized restoration projects. Some of these projects will be eligible for the permit coordination program, but some are of greater complexity and will need to go through the existing permitting process with individual regulatory agencies. Given the large number of upcoming projects requiring permits, the SCCRCD will investigate ways that agencies, particularly the County, can anticipate the permitting needs for these impending projects and come up with methods to ease the burden for both the regulatory agencies and the permit applicants. This investigation will be pursued parallel to, and in concert with, the development of the permit coordination program.

Phase 1 will result in a feasibility report for facilitating the permitting of watershed restoration projects in Santa Cruz County while still ensuring required environmental protection. The report will assess the problems and issues currently existing with permitting upslope and in-stream watershed restoration and enhancement projects; make recommendations to address those problems; and identify tasks, costs, and a schedule to implement the recommendations.

The report will specifically address the feasibility of developing a permit coordination program for Santa Cruz County for a specific suite of restoration practices; identify a long-term management and funding strategy for the program; and assess the existing process for obtaining permits for in-stream and other watershed restoration projects that do not fall under the program and make recommendations for facilitating the process. A second phase, subject to future funding, will implement the Phase 1 recommendations should they prove feasible.

The SCCRCD has a proven track record for successfully administering Coastal Conservancy grants, including the completed Arana Gulch Watershed Enhancement Plan, the Lower Pajaro River Tributaries Sediment Assessment, and the soon to be completed Soquel Creek Watershed Enhancement Plan.

EXHIBIT 1

PROJECT SUPPORT: This project has the support of Assemblymember John Laird and State Senator Bruce McPherson. In order for this project to be successful, it is critical that the regulatory agencies with jurisdiction in watersheds be supportive. The following agencies have indicated support and have committed staff time to pursuing the project: the U.S. Army Corps of Engineers, the U.S. Fish and Wildlife Service, the National Marine Fisheries Services, the California Department of Fish and Game, the Regional Water Quality Control Board, the Coastal Commission, and the County of Santa Cruz. Additionally, the Monterey Bay National Marine Sanctuary, the Arana Gulch Watershed Alliance, the Scott Creek Watershed Council, and the Coastal Watershed Council all support this project. Letters of support are attached in Exhibit 2.

**CONSISTENCY WITH
CONSERVANCY'S
ENABLING LEGISLATION:**

This project would be undertaken pursuant to Chapter 6 (Sections 31251-31270) of the Conservancy's enabling legislation, Division 21 of the Public Resources Code, regarding enhancement of coastal resources. The project is consistent with Section 31251, which authorizes the Conservancy to award grants to local public agencies and nonprofit organizations for corrective measures which will enhance coastal resources that have suffered loss of natural and scenic values. Establishing a permit coordination program for the county will facilitate the permitting and implementation of watershed restoration projects that would normally take much longer or would not be done at all due to the current complexity and costs involved in permitting a restoration project.

Public Resources Code Section 31251.2 authorizes Conservancy participation in projects to enhance a watershed resource that is partly outside of the coastal zone where such action protects or enhances coastal resources within the coastal zone. The watersheds included in this project are partly inside and partly outside of the coastal zone. The "Integrated Watershed Restoration Program for Santa Cruz County" developed by the Conservancy, the SCCRCD, the City and County of Santa Cruz, and the California Department of Fish and Game, and each of seven watershed restoration plans in Santa Cruz County funded by the Conservancy and recently completed, seek to identify watershed restoration opportunities and activities that will benefit coastal resources, including water quality and fish and wildlife habitat within the watersheds and coastal waters.

EXHIBIT 1

Under Section 31253, the Conservancy may provide up to the total cost of any coastal resource enhancement project. Section 31111 authorizes the Conservancy to fund and undertake plans and feasibility studies to implement such projects, and to award grants for these purposes to public agencies and nonprofit organizations.

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

Promotion of the Conservancy's statutory programs and purposes: See the "Consistency with Conservancy's enabling legislation" section above.

Consistency with purposes of the funding source: The proposed project is consistent with the anticipated funding source, the Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Act of 2000 (Proposition 12), in that it will provide incentives to reduce erosion and restore watershed habitat that will result in the enhancement of coastal resources, consistent with Division 21 of the Public Resources Code.

Support of the Public: See the "Project Support" section above.

Location: The project area covers the watersheds in Santa Cruz County, all of which drain into the Monterey Bay National Marine Sanctuary and which are all partly in and partly outside of the coastal zone.

Need: Currently the time, cost, and complexity of obtaining permits for watershed restoration projects act as strong disincentives to private landowners. Given that six of the County's watersheds are on the federal Clean Water Act Section 303(d) list of impaired waterways for California and several more are targeted for Coho and steelhead recovery, there is a compelling need to establish permit coordination mechanisms to encourage and facilitate restoration projects. Additionally, there are eight watershed plans soon to be completed that are recommending a slew of specific restoration projects that will require permits to implement. The regulatory agencies all recognize that the development of permit coordination programs and other permit

streamlining processes are needed to facilitate the implementation of environmentally beneficial projects.

Greater-Than-Local Interest: The permit coordination program and other permit streamlining mechanisms developed by this project will serve to improve water quality and riparian and aquatic habitat. This will benefit several sensitive species, including the Coho and steelhead fisheries and other coastal resources. Additionally, by being the first permit coordination program developed for an entire county, the project will serve as a model for other counties.

Additional Criteria

Urgency/Readiness: The Santa Cruz County Resource Conservation District is ready to begin immediately. Meetings with regulatory agencies regarding permit coordination are already underway and it is critical to maintain the momentum. It is also important to establish a permit coordination program quickly in order to implement the multiple watershed plans that have been developed for the county.

Resolution of more than one issue: A county-wide permit coordination program will reduce regulatory delays, provide "one-stop" regulatory and technical assistance support, and reduce disincentives (fees and complex permitting reviews) for landowners wanting to voluntarily improve their lands.

Conflict resolution: Currently the complexity and high costs to obtain permits dissuade most landowners from implementing erosion control and habitat restoration projects on their land. This runs counter to the goals and mandates of resources agencies to improve watershed health. The permit coordination program will significantly reduce permit fees, provide a single point of contact for obtaining permits, and will offer individualized technical assistance thereby helping to resolve this conflict and reduce or eliminate significant disincentives for landowners to do environmentally beneficial projects. Additionally, it will alleviate situations in which a permit applicant receives conflicting permit conditions from individual regulatory agencies because the conditions will be instituted up front as part of the permit coordination program development.

Innovation: Originally developed in the Elkhorn Slough watershed, permit coordination programs have been developed or are underway in the Salinas River, Morro Bay, Navarro River, and Marin coastal watersheds. The proposed project for Santa Cruz County is the first time a permit coordination program has

EXHIBIT 1

been applied to all the watersheds within a county and will serve as a model for other county-wide programs.

Leverage: By developing a permit coordination program that will apply to all the watersheds in Santa Cruz County, considerable cost savings will be realized compared to creating a permit coordination program for each individual watershed as has been done previously. Matching funds and in-kind services will be provided by the USDA NRCS, Santa Cruz Community Foundation, and SCCRCD in developing the feasibility study.

Realization of prior Conservancy goals: Watershed restoration in Santa Cruz County is one of the Conservancy's major priorities in the central coast. The Conservancy has funded seven watershed plans within the county that have recently been completed. Each makes recommendations for erosion control and habitat restoration projects. A permit coordination program will greatly assist in implementing these recommendations. A permit coordination program is also a key component of the "Integrated Watershed Restoration Program for Santa Cruz County" that the Conservancy co-developed.

Cooperation: As indicated in the "Project Support" section above, this project is a cooperative effort between multiple regulatory and non-regulatory agencies and organizations.

CONSISTENCY WITH THE COASTAL ACT:

This project is consistent with the policies of the Coastal Act in that it furthers the planning and management policies contained in Section 30231 of the Public Resources Code, which states that "the biological productivity and the quality of coastal waters, streams, wetlands, estuaries, and lakes appropriate to maintain optimum populations of marine organisms and for the protection of human health shall be maintained and, where feasible, restored. . . ."

CONSISTENCY WITH LOCAL COASTAL PROGRAM POLICIES:

By coordinating with regulatory agencies, local governments, nonprofit organizations, and landowners to develop mechanisms to facilitate the implementation of watershed restoration projects, the proposed project will help to satisfy several of the priorities listed in the County's 1994 certified General Plan and Local Coastal Program (LCP). These include objectives and programs to protect Sensitive Habitats, which include riparian corridors and areas that provide habitat for rare, endangered, or threatened species.

EXHIBIT 1

- Objective 5.2 Riparian Corridors and Wetlands: To preserve, protect and restore all riparian corridor and wetlands for the protection of wildlife and aquatic habitat, water quality, erosion control, open space, aesthetic and recreational values and the conveyance and storage of flood waters (p. 5-9).
- Objective 5.4 Monterey Bay and Coastal Water Quality: To improve the water quality of Monterey Bay and other Santa Cruz County coastal waters by supporting and/or requiring the best management practices for the control and treatment of urban run-off and wastewater discharges in order to maintain local, state, and national water quality standards, protect county residents from health hazards of water pollution, protect the County's sensitive marine habitats and prevent the degradation of the scenic character of the region (p. 5-14).
- Program A: Continue to coordinate with federal, state, and other local agencies, including NOAA, the Coastal Commission, the Regional Water Quality Control Board, and AMBAG, to manage and protect the resources of the Monterey Bay National Marine Sanctuary (p. 5-16).
- Program H: Evaluate those Sensitive Habitats [which include riparian corridors], which are affected by agricultural activities to determine their biological importance relative to the importance of the agricultural use and develop programs to resolve conflicts between resource use and protection (p. 5-6).

COMPLIANCE

WITH CEQA: The proposed project is categorically exempt from review under the California Environmental Quality Act (CEQA) pursuant to 14 Cal. Code of Regulations Section 15262, in that it would involve only planning studies and feasibility analyses for possible future actions which the agency has not approved, adopted, or funded. The project is also exempt under Section 15306, which exempts basic data collection and resource evaluation activities. Environmental factors will be considered in the studies undertaken pursuant to this authorization. Upon approval, staff will file a Notice of Exemption for this project.