RECOMMENDED ACTION: Authorization to disburse up to $275,000 to the Department of Fish and Game for planning, data collection, technical review and other activities associated with the restoration of and public access to several State Ecological Reserves, including but not limited to Ballona Wetlands, Buena Vista Lagoon, and San Elijo Lagoon, located along the coast in Southern California.

LOCATION: These projects are located along the coast throughout Southern California, from Santa Barbara County to San Diego County (Exhibit 1).

PROGRAM CATEGORY: Coastal Resource Enhancement and Public Access

EXHIBITS
Exhibit 1: Project Location Map
Exhibit 2: Project Photos
Exhibit 3: Project Letters

RESOLUTION AND FINDINGS:

Staff recommends that the State Coastal Conservancy adopt the following resolution pursuant to Sections 31251-31270 and 31400 et seq. of the Public Resources Code:

“The State Coastal Conservancy hereby authorizes disbursement of an amount not to exceed two hundred seventy five thousand dollars ($275,000) to the Department of Fish and Game (DFG) for planning, technical review, data collection and other activities to support the restoration of and public access to coastal wetlands at DFG’s State Ecological Reserves in Southern California. This authorization is subject to the condition that prior to disbursement of funds, the Conservancy’s Executive Officer shall approve the work plan, budget and any contractors employed for this work.”

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 authorization is consistent with Public Resources Code Sections 31251-31270, regarding the Conservancy’s mandate to protect and enhance coastal resources.

2. The proposed project authorization is consistent with Public Resources Code Sections 31400-31409, regarding the Conservancy’s mandate to assist in the development of a system of public accessways to and along the coast.

3. The proposed project is consistent with the Project Selection Criteria and Guidelines last amended by the Conservancy on September 20, 2007.

4. The project serves greater than local need.”

PROJECT SUMMARY:

Throughout Southern California, the Conservancy is undertaking the planning for a number of restoration projects to enhance and provide public access to coastal wetlands in State Ecological Reserves (SER) that are managed by the Department of Fish and Game (DFG). During the next two years, there is a critical need for DFG to play a lead role in the environmental review and permitting for the projects on its SER property. The primary focus of this project will be three priority wetland restoration projects in Southern California: Ballona Wetlands, San Elijo Lagoon and Buena Vista Lagoon.

Conservancy staff is currently developing a restoration plan for DFG’s the Ballona Wetlands SER to restore estuarine habitat and provide compatible public access to the 600 acre Ballona Wetlands in Los Angeles County. A feasibility study that evaluated a wide range of alternatives was recently completed. Based on the analysis in that study, two refined project alternatives are being developed. The environmental impacts of these two alternatives and a “no-project” alternative will be evaluated for under the California Environmental Quality Act (CEQA) and the National Environmental Policy Act (NEPA). This analysis is expected to begin in the spring of 2009 and take approximately two years.

The San Elijo Lagoon Restoration Project seeks to enhance and restore the biological functions and values of the San Elijo Lagoon Reserve with a balance of habitat types, taking into account regional historic habitat losses. The project will include physical restoration of lagoon estuarine hydrologic functions, biological restoration of habitat and species within the lagoon, and development of a plan for the long-term management and maintenance of the restoration efforts. This project is currently completing conceptual design and environmental review.

At Buena Vista Lagoon Ecological Reserve, the Conservancy is leading an effort to evaluate environmental impacts associated with different alternatives for restoring the Lagoon. Due to the significant historic changes to the hydrology at this site, alternatives include a range of different hydrologic regimes, including freshwater, brackish and estuarine systems. A feasibility analysis is completed for this project and the restoration planning effort is now focused on development of refined alternatives and environmental review.

The DFG supports these restoration projects on its SER property; however due to a lack of resources, it has not been able to commit staff to support this work. As these projects move into the environmental review and permitting phase, it is critical to have consistent focused staffing from DFG, which will be the lead agency for CEQA and the permit applications. The purpose of
this authorization is to ensure the DFG has adequate staffing to assist in these restoration projects over the next two years.

Site Description:
Southern California’s bays, marshes and estuaries are among the most productive and densely populated habitats on the Pacific coast. Coastal wetlands are nursery areas for both commercial and recreational fisheries, such as halibut. The wetlands of the south coast are also important to migratory birds traveling on the Pacific Flyway. Prior to the 1800’s, southern California contained rivers with wide, unobstructed floodplains that were fed by numerous tributaries and flowed freely to the sea. All of the river systems supported large estuaries at their mouths with a diversity of wetland habitats that transitioned from salt marsh habitat to brackish and freshwater marsh to riparian habitat. Riparian vegetation consisting of cottonwood, alder, willow and freshwater marsh species lined most of the coastal rivers and creeks. In addition, vernal pools were found in scattered locations throughout the region. This mosaic of marsh and riparian habitats existed for thousands of years.

Over the past 150 years, Southern California coastal wetlands and watersheds have been dramatically altered or destroyed by human activities. Most of the riparian areas of the region’s coastal rivers and streams have been lost. Rivers and creeks have been rerouted, dammed, channelized, and paved. Wetlands have been filled. Important freshwater and salt water inputs to coastal wetlands have been altered. Few estuaries are open to the necessary tidal influence. The overall general health and integrity of the region’s watersheds and wetland habitats has declined.

The loss and degradation of the region’s wetland ecosystems is reflected in the significant decline in the abundance of several species of fishes, shorebirds, seabirds, kelp habitats, and the supply of food observed since 1950. Southern steelhead trout, for example, have been reduced in the past century from tens of thousands in number to approximately 200 to 300 (Pacific Marine Fisheries Council 2000). It is estimated that 55 percent of the animals and 25 percent of the plants designated as threatened or endangered by the State depend on wetland habitats.

Ballona Lagoon SER: It is estimated that the historic wetland complex at the mouth of Ballona Creek once occupied 2000-acres. Most of that area has been developed, but the State of California now owns 600-acres of the former wetland complex. The Department of Fish and Game manages this property as a State Ecological Reserve. Despite the impacts of prior development, significant wetland habitat remains within the Ballona Wetlands. Plant species within the project site include wetland indicators such as pickleweed, marsh heather, saltgrass, arrowgrass and glasswort, and a variety of upland and exotic species including brome, iceplant, oxalis, and ryegrass. Bird surveys indicate that the site is used seasonally by a variety of migratory shorebirds, as well as by typical shoreline residents (gulls, terns, and ducks) and typical upland birds including small raptors. Bird species of special interest observed in the project area include nesting pairs of Belding’s Savannah sparrow and foraging use by California least terns.

San Elijo Lagoon SER: San Elijo Lagoon Ecological Reserve, located at the southern boundary of the City of Encinitas adjacent to Solana Beach, is a critical coastal wetland with significant biological and ecological resources. The lagoon is approximately 1,066 acres and it supports a variety of wildlife including six endangered and thirty two threatened/rare plant and animal
species. Birds visit and reside at San Elijo Lagoon in large numbers; more than 319 species have been recorded at the lagoon and adjacent Cardiff State Beach. Over 106 of these species are rare or uncommon migrants. Least terns feed in the lagoon and have nested on several islands created for them in the east basin. Clapper rails inhabit the dense fresh and brackish marsh vegetation. Belding’s savannah sparrows nest in isolated stands of pickleweed. San Elijo Lagoon is a popular destination for nature enthusiasts and students from around the County because of the wildlife viewing and passive recreation opportunities.

Buena Vista Lagoon SER: Buena Vista Lagoon Ecological Reserve encompasses approximately 200 acres on the border of the cities of Oceanside and Carlsbad in San Diego County. Urban development has dramatically altered the lagoon system. Railroad and road crossings such as the Santa Fe Railroad trestle, the Coast Highway/Carlsbad Boulevard crossing, Interstate 5 crossing, and the Jefferson Street crossing have divided the lagoon into four basins. As a result of the constrictions in flow between them, these basins exhibit varying salinity regimes and sedimentation rates. A concrete weir and reinforced channel were constructed in 1972 which eliminated low-elevation outflow. Despite these impacts, the lagoon supports several different vegetation communities and a wide diversity of wildlife. Migratory shorebirds and waterfowl, including brown pelicans, least terns, Belding’s savannah sparrows, Caspian terns, herons, egrets, and cormorants use the lagoon, feeding on the small fish its waters support.

Project History:
Over the past ten years, the Conservancy has managed the Southern California Wetland Recovery Project (SCWRP). The SCWRP works to coordinate agency efforts and prioritize projects within the region. Through this effort, the Conservancy is working to promote restoration of wetlands at several SERs in partnership with DFG. All three of these projects are Tier 1 projects (highest priority) on the SCWRP’s Work Plan. Conservancy staff is recommending authorization of funds to support restoration planning at both the San Elijo Lagoon and Buena Vista Lagoon at this Board meeting. This authorization compliments those projects by providing funding for DFG to actively participate in and lead these planning efforts.

The Conservancy provided $10 million for the acquisition of the Ballona Wetlands in 2001. DFG took title to the property and created the Ballona Wetlands Ecological Reserve in 2005. Over the past several years, with dedicated funding from Proposition 12, the Conservancy has funded restoration planning for this site. In addition, the Conservancy has funded interim restoration activities to restore site resources and improve public access opportunities while the longterm restoration plan is being developed.

The proposed restoration of the San Elijo Lagoon is an extension of previous work funded and implemented by past Conservancy grants. In 1989 and 1991, the Conservancy approved grants to the County of San Diego for preparation of the San Elijo Lagoon Area Enhancement Plan which was completed in 1996. In 1996, the Conservancy awarded the San Elijo Lagoon Conservancy a grant to prepare the San Elijo Lagoon Action Plan. Both the Enhancement Plan and Action Plan were approved by the Conservancy on May 27, 1999. The proposed restoration project was identified as a future phase in both of these plans.

The Conservancy’s involvement at Buena Vista Lagoon dates back to 1982 when it began to help plan and implement a sediment control program in the watershed. More recently, the
Conservancy has awarded grants and contracts for lagoon restoration planning, including a feasibility assessment and other technical reports.

**PROJECT FINANCING:**

<table>
<thead>
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<th>Source</th>
<th>Amount</th>
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<tr>
<td>Coastal Conservancy</td>
<td>$275,000</td>
</tr>
<tr>
<td><strong>Total Project Cost</strong></td>
<td><strong>$275,000</strong></td>
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The anticipated source of funds for the proposed grant is an appropriation to the Conservancy of funds from the Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002 (Proposition 50), which authorizes the use of such funds to protect coastal watersheds through projects that restore land and water resources. The proposed project will help accomplish those objectives by restoring wetland and riparian habitat. As required by Proposition 50, the proposed project is consistent with local and regional plans (Water Code Section 79570), including the Basin Plan for the Coastal Watersheds of Los Angeles and San Diego Counties, which mandates the protection of beneficial resources in the region’s coastal wetlands and watersheds.

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

This project would be undertaken pursuant to Chapter 6 of the Conservancy’s enabling legislation, Public Resources Code Sections 31251-31270, Coastal Resource Enhancement Projects which allows the Conservancy to award grants to public agencies to enhance natural resources that have suffered a loss of natural and scenic values.

This project would also be undertaken pursuant to Chapter 9 of the Conservancy’s enabling legislation, Public Resources Code Sections 31400-31410, System of Public Accessways which states that the Conservancy may award grants to public agencies to develop, operate or manager lands for public access purposes along the coast. All three proposed projects that will be supported by this project will provide public access compatible with the resources of the Ecological Reserves.

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

Consistent with Goal 5 Objective A of the Conservancy’s Strategic Plan, the proposed project would help develop plans to restore and enhance more than 1500 acres of coastal wetland and adjacent habitat. This project is critical to completing the total acreage target for Southern California identified in the 2007 Strategic Plan.

**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 and updated September 20, 2007, in the following respects:
Required Criteria

1. **Promotion of the Conservancy’s statutory programs and purposes:** See the “Consistency with Conservancy’s Enabling Legislation” section above.

2. **Consistency with purposes of the funding source:** See the “Project Financing” section above.

3. **Support of the public:** The proposed project is supported by the Santa Monica Bay Restoration Commission, the San Elijo Lagoon Conservancy and SANDAG. Letters of support are attached as Exhibit 3.

4. **Location:** The proposed project would be located within the coastal zone of southern California.

5. **Need:** Conservancy funds are needed to provide resources for the DFG to provide needed planning assistance for these projects.

6. **Greater-than-local interest:** Restoration of southern California’s wetland ecosystems is important for the threatened and endangered species that depend on these habitats. These wetlands are also critical to the migratory birds traveling on the Pacific Flyway. In addition, all of these sites provide valuable and scenic open space, public access and opportunities to experience the natural world in the heart of congested Southern California.

Additional Criteria

9. **Readiness:** Restoration planning for these projects is underway and there is a critical need for DFG to increase its participation as the formal CEQA review begins for each of these properties.

10. **Realization of prior Conservancy goals:** “See “Project History” above.

11. **Cooperation:** All of these restoration planning projects are implemented through the partnership of local government, state government and nonprofit organizations.

**CONSISTENCY WITH LOCAL COASTAL PROGRAM POLICIES:**

Restoration of wetlands is consistent with the policies of the Coastal Act. The project goals are consistent with the Coastal Act goals as stated in Section 30001.5, as the project will protect, enhance and restore the natural resources of the sites and expand public recreational opportunities consistent with conservation of those resources. Specifically, Section 30231 states that coastal wetlands shall be maintained and restored. The project is consistent with Section 30240(a), in that it will help ensure that environmentally sensitive habitat areas are protected against significant disruption of habitat values. As stated in Section 30251, the project will protect the scenic resources and open space of the project sites.
CONSISTENCY WITH LOCAL WATERSHED MANAGEMENT PLAN/ STATE WATER QUALITY CONTROL PLAN:

A Watershed Management Plan for the Ballona Creek Watershed was completed by an interagency/stakeholder task force this year. The purpose of the plan is to identify opportunities to improve water quality and restore habitat. The restoration of the Ballona Wetlands is specifically identified as a priority activity in the watershed.

The San Elijo Lagoon and Buena Vista Lagoon restoration projects will facilitate the restoration of wildlife habitat in these coastal watersheds and wetlands and as such are consistent with the Water Quality Control Plan for the San Diego Basin (adopted by the Regional Water Quality Control Board, San Diego Region in 1994 and reviewed every three years). These projects will further the following beneficial use objectives of warm freshwater habitat, cold freshwater habitat, estuarine habitat, and wildlife habitat.

COMPLIANCE WITH CEQA:

This authorization to fund a staffing position at DFG for restoration planning at these or other Southern California SERs does not have the potential for a physical effect on the environment and therefore does not constitute a “project” under the California Environmental Quality Act (CEQA) as defined under 14 California Code of Regulations (CCR) Section 15378.

In the alternative, if this authorization is deemed a “project” under CEQA, it is statutorily exempt under 14 CCR Section 15262, since it involves only feasibility and planning activities. This authorization is also categorically exempt from CEQA pursuant to 14 CCR Section 15306 as it only involves basic data collection, research, and resource evaluation activities which do not result in a serious or major disturbance to an environmental resource. Upon approval, staff will file a Notice of Exemption for the project.