COASTAL CONSERVANCY

Staff Recommendation
January 28, 2016

MANZANITA CANYON HABITAT RESTORATION

Project No. 15-029-01
Project Manager: Julia Elkin

RECOMMENDED ACTION: Authorization to disburse up to $300,000 to Ocean Discovery Institute to restore habitat in Manzanita Canyon in the City of San Diego, San Diego County and adoption of relevant findings under the California Environmental Quality Act.

LOCATION: Manzanita Canyon, San Diego, San Diego County

PROGRAM CATEGORY: Integrated Coastal and Marine Resources Protection

---

EXHIBITS

Exhibit 1: Project Location and Site Map

Exhibit 2: Final Mitigated Negative Declaration for the City Heights Canyon Enhancements and Trails Project (2014)

Exhibit 3: Site Restoration Images

Exhibit 4: Project Letters

RESOLUTION AND FINDINGS:

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

"The State Coastal Conservancy hereby authorizes disbursement of an amount not to exceed three hundred thousand dollars ($300,000) to the Ocean Discovery Institute to restore habitat in Manzanita Canyon, subject to the following condition:

1. Prior to disbursement of any funds, Ocean Discovery Institute shall submit for the review and written approval of the Conservancy's Executive Officer the following:
   a. A detailed work program, including budget and schedule;
   b. A signage plan to acknowledge Conservancy funding for the project;
   c. Evidence that Ocean Discovery Institute has permission to implement the project on City of San Diego property."

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. Ocean Discovery Institute is a nonprofit organization existing under section 501(c)(3) of the U.S. Internal Revenue Code, and whose purposes are consistent with Division 21 of the Public Resources Code.
2. The proposed authorization is consistent with Chapter 5.5 of Division 21 of the Public Resources Code, regarding coastal and marine resources protection.
3. The proposed project is consistent with the current Conservancy Project Selection Criteria and Guidelines.
4. The Conservancy has reviewed the Final Mitigated Negative Declaration for the City Heights Canyon Enhancements and Trail Project (2014), adopted by the City of San Diego on June 20, 2014 ("MND") pursuant to the California Environmental Quality Act and attached to the accompanying staff recommendation as Exhibit 2, and finds that the portion of the proposed project addressed in the MND avoids or reduces the possible significant environmental effects to a level of insignificance, and that there is no substantial evidence that the portion of the proposed project addressed in the MND will have a significant effect on the environment."

PROJECT SUMMARY:

Staff recommends that the Conservancy provide a grant of up to $300,000 to Ocean Discovery Institute (ODI) to implement habitat restoration in Manzanita Canyon in the City of San Diego ("City"). Manzanita Canyon is located within the City's highly urbanized City Heights neighborhood, which is a disadvantaged community within the meaning of the Water Code § 79505.5 (defining "disadvantaged community" as "a community with an annual median household income that is less than 80 percent of the statewide annual median household income"). While the canyon provides a natural stormwater drainage course, native species habitat, and much needed recreational space for local residents, it has been degraded by decades of trash accumulation, high velocity urban runoff storm flows, and neglect.

This project aims to achieve the multiple benefits of restoring Manzanita Canyon's ecological functions, improving the quality of its water drainage, reducing the velocity of stormwater flows, and increasing local climate change resiliency. Under this project, ODI will remove three cubic meters of trash and debris per year for two years, remove invasive plants and plant native plants on slopes and bare areas to reduce erosion. Over 0.69 acres of renegade trails will be closed and revegetated to reduce further erosion.

ODI intends to engage over 1,500 community volunteers in the debris collection and planting efforts. This will educate the community on the importance of the canyon to watershed health and how to maintain the canyon, which will help ensure the sustainability of improvements made to the canyon. Additionally, the project includes quantification of trash collection amounts as

part of a larger study conducted by California Sea Grant, monitoring and reporting of the revegetation survival rate, and tracking of fluctuations in heat island effects as a result of revegetation. These project monitoring efforts will inform ongoing adaptive management on site.

The project is designed to sustainably improve water quality both at the project site and downstream by utilizing the best available science on native plant restoration techniques for reducing erosion and increasing stormwater infiltration. Additionally, the project focus on establishing a drought-tolerant and fire-resistant native plant community in Manzanita Canyon is in line with current climate change projections for the region and anticipated weather patterns.

Site Description:

Manzanita Canyon is a City-owned open space located in the heart of City Heights, a highly-urbanized, high poverty, disadvantaged community located in the middle of the City. The canyon serves as a natural stormwater drainage for City Heights and is part of the Chollas Creek sub-watershed within the Pueblo watershed, which flows down into San Diego Bay. Chollas Creek has been labeled one of the most impaired water bodies in San Diego County.

While the canyon is largely surrounded by urban developed land (see Exhibit 1), portions of Manzanita Canyon covered under this project are located within the City's Multiple-Habitat Planning Area. Manzanita Canyon contains multiple vegetation communities including southern maritime chaparral, southern willow scrub, mule fat scrub, disturbed wetland, and non-native grassland. Replanting of non-native species with native species under this project will increase the resilience of these important native plant communities, which in turn provide key habitat to native fauna that persist in this otherwise urbanized region. Manzanita canyon sits adjacent to ODI's Living Lab facility and its host of hands-on science activities (see Project History).

The proposed project specifically focuses on completing urban native plantings as well as invasive plant and trash removal within 7.56 acres of Manzanita Canyon. ODI has a license agreement with the City to carry out the project on 6 acres of the canyon. For the remaining acres, ODI will work pursuant to a City site development permit issued to ODI's project partner San Diego Canyonlands for a much larger project that includes the proposed project on additional acreage within the canyon.

Project History:

In 1999, the Conservancy provided $95,000 to the City to prepare an enhancement plan for Chollas Creek, and approved another $1.23 million in 2001 to fund the City's Chollas Creek Enhancement Program. Concern about the environmentally degraded canyons within the Chollas Creek watershed, particularly in City Heights, including Manzanita Canyon, spurred the creation of the City Heights Canyons and Community Alliance in 2007.

Since 2008, the Conservancy has supported ODI's canyon restoration projects in City Heights, starting with a grant to the Endangered Habitat Conservancy to secure permits for restoration work in Swan Canyon, which neighbors Manzanita Canyon. The Conservancy also provided an implementation grant for the Swan Canyon project in 2010 which resulted in the removal of highly invasive *Arundo donax* from the streambed in Swan Canyon, removal of over 3,000

pounds of trash, and revegetation which increased native plant cover from 3% to 28%. ODI organized and led the community volunteer teams that made this project's implementation a resounding success (see Exhibit 3).

In addition, ODI received Conservancy grants in 2010 and 2014 to support construction of the 'Living Lab' – Ocean Discovery's new education facility for local students and families. ODI has designed the Living Lab facility to serve as a gateway to Manzanita Canyon's public open space. The proposed project will broaden the impact of the Living Lab and its community engagement focus into the canyon ecosystem.

In October 2015, the Conservancy awarded a grant to San Diego Canyonlands to prepare trail access and restoration design plans for twelve urban canyons in San Diego, including Manzanita Canyon. The San Diego Canyonlands project directly complements ODI's proposed project in that elements of those design plans produced under the Conservancy grant to San Diego Canyonlands will directly inform restoration efforts within the Manzanita Canyon project area.

The proposed project is the second in the Conservancy's collaboration with The California Endowment (Cal Endow), a statewide, community-health oriented foundation. This collaboration, entitled Wellness Through Connecting Communities, expands the impact of Cal Endow's Building Healthy Communities Program, which invests in 14 outdoor places in California, ten of which are within the Conservancy's jurisdiction, to effect long-term changes in health. Cal Endow and Conservancy staff developed a set of elements to focus on, namely infrastructure improvements, such as trails and public open space, and program development, such as workforce development opportunities in habitat restoration or trail building and field trips to the coast or other regional open spaces. Staff reported on the program with Cal Endow at the Conservancy's March 26, 2015 meeting. The first project undertaken as part of this collaboration was the Lower Wildcat San Pablo Creek project, authorized by the Board in June 2015.

PROJECT FINANCING

Coastal Conservancy	$300,000
Ocean Discovery Institute	$31,650
The California Endowment	$300,000
Project Total	**$631,650**

The expected source of Conservancy funds for this project is the fiscal year 2015-16 appropriation to the Conservancy pursuant to the Water Quality, Supply, and Infrastructure Improvement Act of 2014 (Proposition 1, Water Code § 79700 et seq.). Funds appropriated to the Conservancy derive from Chapter 6 (commencing with § 79730) and may be used "for multibenefit water quality, water supply, and watershed protection and restoration projects for the watersheds of the state." (Water Code § 79731.) Section 79732 identifies specific purposes of Chapter 6, which include protecting and restoring urban watershed health to improve watershed storage capacity and stormwater resource management. The proposed project is an appropriate use of Proposition 1 funds because it has multiple benefits and will restore part of an

urban watershed. The benefits of the project are: restored canyon habitat for wildlife, improved water quality of water draining from the canyon; reduction of storm flows through the canyon to reduce risk of flooding; increased climate change resiliency through removal of invasive plants and planting of fire resistant native plants; and education of the local community, which will help protect the canyon and watershed in the future. The urban watershed that will be partly restored is Chollas Creek sub-watershed within the Pueblo watershed. ODI has obtained matching funds for the proposed project from The California Endowment, The Boeing Company ($8,596) and The San Diego Foundation ($23,055).

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

CONSISTENCY WITH CONSERVANCY'S ENABLING LEGISLATION:

The proposed project will be undertaken pursuant to Chapter 5.5, Integrated Coastal and Marine Resources Protection (Public Resources Code §31220), of the Conservancy's enabling legislation. Section 31220(a) authorizes the Conservancy to award grants for coastal watershed projects that meet one or more criteria of Section 31220(b).

Consistent with §31220(b), the proposed project will help achieve the objectives of the following subsections: (b)(1) reduce contamination of waters within the coastal zone; (b)(2) protect and restore wildlife habitat within coastal watersheds; (b)(4) reduce unnatural erosion and sedimentation of coastal watersheds and contribute to the reestablishment of natural erosion and sediment cycles; and (b)(6) restore sensitive watershed lands. The project will help achieve these objectives by planting native plants, removing invasive plants and removing trash within a canyon in a watershed that drains into San Diego Bay.

Consistent with §31220(a), staff has consulted with the State Water Resources Control Board and the San Diego Regional Water Quality Control Board in the development of the project to ensure consistency with Public Resources Code § 30915 concerning protection and restoration of water quality of coastal waters. In addition, the Project is consistent with the Water Quality Control Plan for the San Diego Basin("Basin Plan") and a local watershed management plan as required by § 31220(c). This is discussed in detail below under "Consistency with Local Watershed Management Plan/State Water Quality Control Plan." Finally, consistent with § 31220(c), the project includes a monitoring and evaluation component.

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

Consistent with **Goal 5, Objective G**, the proposed project will implement water quality improvements in Manzanita Canyon to the benefit of downstream coastal and ocean resources.

Consistent with **Goal 7, Objective G**, the proposed project will implement vegetation planting that enhances storm water management.

Consistent with **Goal 9, Objective A**, the proposed project will improve public understanding of coastal resources by actively engaging volunteers in the canyon restoration process.

CONSISTENCY WITH CONSERVANCY'S PROJECT SELECTION CRITERIA & GUIDELINES:

The proposed project is consistent with the Conservancy's Project Selection Criteria and Guidelines, last updated on October 2, 2014, in the following respects:

Required Criteria

1. **Promotion of the Conservancy's statutory programs and purposes:** See the "Consistency with Conservancy's Enabling Legislation" section above.
2. **Consistency with purposes of the funding source:** See the "Project Financing" section above.
3. **Promotion and implementation of state plans and policies:**

   CA Water Action Plan (January 2014): In support of CWAP Goal 8 to "increase flood protection", revegetation efforts under this project will enhance Manzanita Canyon's capacity to slow and manage storm water runoff flows.

   CA Climate Adaptation Strategy/Safeguarding CA- Reducing Climate Risk Plan (July 2014): The project directly supports two priorities articulated in this Plan by 1) providing risk reduction measures for a vulnerable California population and 2)producing multiple benefits and promoting sustainable stewardship of CA's resources through both the impacts of restoration activities within the canyon and public engagement in these activities.

   CA @ 50 Million (Sept 2013): The project supports Action 3 to preserve and steward state lands and natural resources by increasing climate change resilience of the natural canyon system. The project also supports Action 2 to build climate resilience and preparedness into all policies by making project monitoring information available to decision makers and planners at local and regional scales.

   CA Wildlife Action Plan (May 2015): In support of CWAP Goal 4 to "enhance ecosystem condition, community structure and composition", this project will strengthen native species biodiversity and contribute to a healthier ecosystem within Manzanita Canyon through native species revegetation plantings. The proposed closure of 0.69 acres of renegade trail as part of the restoration effort will further protect native flora and fauna by better defining areas open to recreational impacts.

4. **Support of the public:** U.S. Congresswoman Susan Davis, California Assembly Speaker Toni Atkins, and City of San Diego Councilmember Marti Emerald have expressed support for this project. Several City departments have offered significant suport and collaboration, including Park and Recreation, Police, Transportation and Stormwater, and Environmental Services.

San Diego Bay Debris Working Group, a collaborative of agencies and environmental groups that seeks solutions to plastics pollution in San Diego Bay and its watersheds, supports this project's efforts to monitor trash inputs and to reduce flows of urban trash into the Bay. The Debris Working Group includes: Amec, Foster and Wheeler, Southern California Coastal Water Research Project, San Diego Coastkeeper; U.S. Navy, U.S. Fish and Wildlife Service, Unified Port of San Diego, San Diego Water Quality Control Board.

Locally, the project is supported by the City Heights Canyons and Communities Alliance (CCA), a group of community organizations and civic leaders working to integrate urban communities with their local natural canyon environments to achieve environmental sustainability and increased quality of life. CCA member organizations with a leadership role include: the Azalea Park Neighborhood Association, Carey Construction and Design, Caesar Chavez Club at Monroe Clark Middle School, City of San Diego Park and Recreation, San Diego Canyonlands, and the City of San Diego Police Department. Supporting entities also include the The California Endowment, The San Diego Foundation, San Diego Gas & Electric, and Boeing among others which have committed financial resources. Additionally, the project has wide community support, including the City Heights Planning Area Committee and has engaged community volunteers in planning and restoration activities at the project site.

5. **Location:** Manzanita Canyon is located within the highly urbanized Chollas Creek sub-watershed of the Pueblo watershed, which drains into San Diego Bay.
6. **Need:** Without funding support from the Conservancy, the scope of the project would be significantly reduced in terms of scale of debris removal, capacity to restore native species, and ability to ensure ongoing project monitoring. The level of community and local decision-maker engagement in the project would also be reduced, decreasing the project's impact on regional water quality and climate resilience.
7. **Greater-than-local interest:** Manzanita Canyon is a component of the regional system of natural canyons that connect people and habitat across the inland reaches of San Diego County's coastal watersheds. Improvements to the canyon's ecological functions under this project will benefit the communities who enjoy the canyon, wildlife that utilize the watershed, and water quality both locally and downstream. Additionally, the project is physically linked to existing regional efforts. These include ODI's Living Lab educational facility, which will be located at the head of Manzanita Canyon and provide a community focal point for science engagement and stewardship, as well as San Diego Canyonlands' City Heights Canyon Loop Trail, which will integrate the urban and natural environment through five miles of connected urban and canyon trails.
8. **Sea level rise vulnerability:** The project site is located inland, and outside of the influence of sea level rise.

Additional Criteria

9. **Urgency:** With high volume storm events projected to become increasingly frequent in regional weather patterns for southern California, it has become urgently important to

maximize green infrastructure opportunities for managing hazardous high velocity and high volume stormwater flows. Restoration undertaken by this project will reduce hazardous runoff impacts both to the local inland community and to San Diego Bay.

10. **Resolution of more than one issue**: The proposed project will improve water quality in Chollas Creek while also reestablishing native plant communities and increasing climate change resiliency of Manzanita Canyon and the land adjacent City Heights community.
11. **Leverage**: See the "Project Financing" section above.
13. **Innovation**: In carrying out the monitoring component of the project, ODI will use the California Native Plant Society & California Dept. of Fish and Wildlife's *Combined Vegetation Rapid Assessment and Relevé Protocol* (2014), which is an innovative technique for gathering data that allows for community engagement in scientific data collection.
14. **Readiness**: The grantee is ready to commence the project upon receipt of Conservancy funds. Over $300,000 in matching funds have been secured or committed. The City has authorized the work on its property. A community restoration day that will reach over 1500 volunteers is already scheduled for February 2016.
15. **Realization of prior Conservancy goals**: See "Project History" above.
16. **Return to Conservancy**: See the "Project Financing" section above.
17. **Cooperation**: ODI will actively engage community members directly on the project through organized formal volunteer events. ODI will also partner with California Sea Grant on completing a trash study related to the cleanup efforts in Manzanita Canyon. ODI will work in cooperation with San Diego Canyonlands to complete the more technical aspects of the canyon restoration.
18. **Vulnerability from climate change impacts other than sea level rise:** The project site and surrounding community are currently vulnerable to climate change impacts including increased fire risk, flood risk, and heat related hazards. The project will reduce these vulnerabilities by replacing invasive plants with native species that pose a lower fire risk and reduce heat island effects. Native plantings will stabilize canyon slopes to better handle urban storm runoff and lower flooding risk.
19. **Minimization of greenhouse gas emissions:** By converting perennial and weedy non-native plant cover to native woody species with a highly diverse canopy structure, the project will serve as a net carbon sink. Use of mechanized equipment will be limited as much as possible during project implementation.

CONSISTENCY WITH LOCAL COASTAL PROGRAM POLICIES:

As Manzanita Canyon is located outside of the Coastal Zone, there is no Local Coastal Program affecting the project area. However, the habitat improvements undertaken by this project will improve water quality and climate resilience of canyon open space in the Chollas Creek sub-watershed, to the benefit of downstream coastal resources in San Diego Bay. Such improvements to regional water quality are consistent with the region's LCP.

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

The trash collection monitoring that will be completed as part of the project is consistent with Basin Plan *Policy Five,* which states: "detailed and comprehensive knowledge of… activities affecting water quality throughout the Region shall be maintained." Such detailed knowledge will be generated through the trash collection data collected over the course of the project.

The restoration actions that will be completed by this project (under existing license agreements between local non profits and the City of San Diego for improvements to City-managed canyon open space) are consistent with the *San Diego Bay Watershed Management Area Water Quality Improvement Plan* (June 2015) Strategy IB-54 to "continue existing partnerships on native habitat restoration of upland areas."

COMPLIANCE WITH CEQA:

The City is the lead agency for the project under the California Environmental Quality Act (CEQA). The City first approved the project on 6 acres within Manzanita Canyon in 2012. At that time, the City determined that the project was categorically exempt from CEQA. In 2014, the City approved the project on additional acreage within Manzanita Canyon as part of a larger project that spans several canyons and that includes work with the potential to have significant environmental effects, such as grading new trails. The larger project was proposed by ODI's project partner San Diego Canyonlands and is known as the City Heights Canyon Enhancement and Trail Project (City Heights Project). The City prepared a mitigated negative declaration for the City Heights Project. As a result, although the entire proposed project qualifies for a categorical exemption, a portion of the proposed project (located on 1.56 acres) is the subject of a mitigated negative declaration.

<u>CEQA Exemption</u>

Section 15304 of the CEQA Guidelines sets forth an exemption from CEQA for minor alterations to land and vegetation, including "minor alterations to land, water, and vegetation on existing officially designated wildlife management areas which result in improvement of habitat for fish and wildlife resources . . ." and "replacement of existing conventional landscaping with water efficient or fire resistant landscaping." Cal. Code Regs. title 14, § 15304(b) and (d). Section 15301 exempts maintenance of existing facilities and topographical features without expanding use. The proposed project is exempt under both of these sections. The project entails the removal of invasive plants, removal of trash, and the planting of native, drought tolerant, fire resistant plants, which will improve habitat for wildlife in Manzanita Canyon, a portion of which is within the City's Multiple-Habitat Planning Area. Closing of renegade trails is also a minor alteration of land that will improve habitat for wildlife by keeping people on the existing trails that are compatible with habitat and keeping people out of areas that are designated for habitat. The project is also exempt under section 15301in that the proposed work maintains an existing public area that is used for walking and hiking.

Final Mitigated Negative Declaration

The City adopted the *Mitigated Negative Declaration for the City Heights Canyon Enhancement and Trail Project* (MND) and a mitigation monitoring and reporting plan for the MND on August 8, 2014.

The MND evaluates restoration actions across 4 canyons, including Manzanita Canyon. The restoration activities include removal of debris, removal of non-native plant species, and planting of native species as well as construction of trails and enhancement of trails in the canyons.

The MND identifies potentially significant environmental effects in the categories of Land Use (due to project location within the Multiple Species Conservation Program/Multi-Habitat Planning Area) and Biological Resources. However, these effects are related to aspects of the City Heights Project, such as removal of native chaparral plants and grading on canyon slopes, that are not included within ODI's proposed project. Accordingly, the City has determined that none of the mitigation measures identified in the MND for the City Heights Project need to be implemented for ODI's proposed project.

Conservancy staff has independently reviewed the MND and recommends that the Conservancy, as a responsible agency, find that there is no substantial evidence that the portion of the proposed project that is addressed in the MND (1.56 acres) will have a significant effect on the environment. Staff has determined that the portion of the proposed project located in 6 acres of the canyon not addressed in the MND is exempt from CEQA. Upon Board approval, Conservancy staff will file a notice of determination for the portion of the project addressed in the MND and a notice of exemption for the portion of the project on 6 acres in Manzanita Canyon.