

COASTAL CONSERVANCY

Staff Recommendation

March 22, 2018

Cardiff State Beach Living Shoreline Project

Project No. 15-003-03

Project Manager: Evyan Sloane

RECOMMENDED ACTION: Authorization to disburse an additional amount of up to \$594,435 to the City of Encinitas to augment the previously authorized grant for dune restoration and monitoring at Cardiff State Beach, County of San Diego.

LOCATION: San Elijo Lagoon, City of Encinitas, County of San Diego (Exhibit 1).

PROGRAM CATEGORY: Climate Adaptation, Resource Enhancement

EXHIBITS

Exhibit 1: [Project Location Map](#)

Exhibit 2: [Photos of Proposed Project Area and Design](#)

Exhibit 3: [June 15, 2017 Staff Recommendation](#)

RESOLUTION AND FINDINGS:

Staff recommends that the State Coastal Conservancy adopt the following resolution pursuant to Sections 31113 and 31251-31270 of the Public Resources Code:

“The State Coastal Conservancy hereby authorizes the additional disbursement of up to five hundred ninety-four thousand four hundred thirty-five dollars (\$594,435) to the City of Encinitas (the City) to augment the Conservancy’s prior authorization of June 15, 2017, for implementation of dune restoration at Cardiff State Beach.

Prior to the disbursement of any funds, the City shall submit for the review and written approval of the Conservancy’s Executive Officer a work program, including budget and schedule, and the names and qualifications of any contractors to be employed for these work program tasks.”

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 authorization is consistent with Chapter 3 of Division 21 of the Public Resources Code (Section 31113), regarding addressing the impacts of climate change and

Chapter 6 of Division 21 of the Public Resources Code (Sections 31251-31270) regarding resource enhancement.

2. The proposed project is consistent with the current Conservancy Project Selection Criteria and Guidelines.
 3. The proposed project remains consistent with the Conservancy's September 26, 2016 findings with respect to the California Environmental Quality Act."
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PROJECT SUMMARY:

Staff recommends augmentation of the Conservancy's June 15, 2017 authorization to provide an additional \$594,435 to the City of Encinitas ("City") to construct a dune restoration project at Cardiff State Beach, owned by the California Department of Parks and Recreation ("State Parks"). Additional funding is needed to fill a budget deficit for construction costs which were originally underestimated in the 30% design phase. When final designs were completed at the end of 2017, the construction cost estimate significantly increased based on more accurate detail for the design components and for the costs of implementation. The initial budget was generated from a conceptual design at the feasibility study phase, which brought the project to a 30% design, when very little detail was known. At that time, only major project components were known, and budget assumptions were made based on those major components. Now that the design is completed for the project several details such as street side improvement materials, inlet dredging activities, and prevailing wage requirements have increased the total budget. These design details result in no change in the nature, scope or overall design of the project. City seeks by requesting the proposed augmentation to fill the budget shortfall.

The dune restoration project ("project") will provide natural sea-level rise protection to Cardiff State Beach and Highway 101 by utilizing a "living shoreline" approach that creates four acres of beach dunes. Dune restoration is a useful sea-level rise adaptation strategy because dunes can reduce coastal storm damage by buffering the shoreline from waves and tides. Coastal dunes have been heavily impacted by development and very little of this habitat type remains in Southern California, so this proposed project will both restore a heavily impacted habitat and provide natural sea-level rise adaptation at Cardiff State Beach. The project will construct four acres of beach dunes and a footpath along the dunes, and support a scientific monitoring program.

As detailed in the June 17, 2017 staff recommendation (Exhibit 3), the Conservancy grant for construction of the project, along with the proposed augmentation of that grant, builds on two earlier phases funded by the Conservancy. Phase 1, authorized for funding by the Conservancy on March 26, 2015, investigated the appropriate design and approach and Phase 2, authorized in September 2016, finalized the pre-construction planning and design of the project. The project, when completed, will potentially reduce the vulnerability of Coast Highway, San Elijo Lagoon, and other coastal infrastructure and natural resources to sea level rise and restore a habitat that has been severely impacted in this area. It will increase public access to Cardiff State Beach with the construction of a dune footpath.

CARDIFF LIVING SHORELINE PROJECT PHASE 3

With the augmented funds, the City will have sufficient funds for construction management and construction. The City has worked with the Conservancy in the past and have proven records of accomplishment of competence and expertise for the project elements for which they are responsible.

Site Description: The Cardiff LSP area is located at Cardiff State Beach in the City of Encinitas (Exhibit 1). The Cardiff LSP area extends from the south end of Restaurant Row to the north end of the Seaside State Park parking lot (See Exhibit 1). The Cardiff LSP area straddles the Swami’s State Marine Conservation Area (SMCA) and the San Elijo Lagoon SMCA, both managed by the California Department of Fish and Wildlife. The Cardiff LSP area consists of the back beach portion of Cardiff Beach owned and managed by State Parks. State Parks and the City of Encinitas will be developing and signing a Memorandum of Understanding allowing the City to perform general operations and maintenance of the project once constructed.

Project History: For over 25 years, the Conservancy has been working with the SELC on the restoration and management of San Elijo Lagoon. Currently, Conservancy staff maintains its involvement in the San Elijo Lagoon Restoration Project (“SELRP”) and staff has been on the SELRP stakeholder group for seven years. The Conservancy also partially funded the preliminary engineering for the SELRP. The SELRP will include the export of approximately one million cubic yards of beach-compatible materials over ten months. The proposed project complements the SELRP by providing a beneficial reuse placement site for approximately thirty thousand cubic yards of export materials generated during construction. The project also complements the SELRP by investigating options for protecting the estuary, and the SELRP, from sea level rise.

The proposed project is related to and generally consistent with the SELC’s Seaside Terrace Dune Plant Restoration Project, which is directly adjacent, and SELC’s involvement in both projects will promote consistency between them.

This will be the fourth Conservancy authorization for the Cardiff Living Shoreline Project. On March 26, 2015, the Conservancy authorized a \$150,000 grant to the City to conduct a feasibility study and conceptual plan for the project. On September 29, 2016, the Conservancy authorized a \$322,000 grant to the City to complete the design and permitting for the project and approved, as a responsible agency under CEQA, State Parks’ Mitigated Negative Declaration for the project (Exhibit 3). On June 17, 2017, the Conservancy authorized a \$2,242,540 grant of state funds from the Ocean Protection Council to the City, SELC, and University of California Los Angeles to construct and monitor the Cardiff LSP (Exhibit 3).

PROJECT FINANCING

Construction Funding to City

(see June 17, 2107 staff recommendation (Exhibit 3) for additional project funding detail)

June 15, 2017 authorization:

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| Ocean Protection Council grant funds to City | \$1,982,000 |
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CARDIFF LIVING SHORELINE PROJECT PHASE 3

Proposed Augmentation:

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|-----------------------|--------------------|
| SCC funds to the City | <u>\$594,435</u> |
| Project Total | \$2,576,435 |

The anticipated source of funding for the proposed augmentation (\$594,435) is the fiscal year 2017 appropriation from 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 of the Act (commencing with § 79730) and may be used “for multi-benefit water quality, water supply, and watershed protection and restoration projects for the watersheds of the state” (Section 79731). Section 79732(a) states more specifically that these funds may be used to “implement watershed adaptation projects in order to reduce the impacts of climate change on California’s communities and ecosystems” (section 79732(a)(2)) and to “protect and restore aquatic, wetland, and migratory bird ecosystems” (section 79732(a)(4)). Consistent with these provisions, the project, as augmented, will design and implement the restoration of 4 acres of native dune habitat, an aquatic ecosystem that supports many native species including some state and federally listed bird species. Implementation of the project will also further the adaptation of the Cardiff beach to climate change by testing a “living shoreline” approach to flood and erosion protection in the face of rising seas. As required by Proposition 1, the project will provide multiple benefits. First, the project will fill an ecological void for the region by restoring native dune habitat. Second, the project will test a sea-level rise adaptation strategy using a “living shoreline” approach rather than grey infrastructure such as a sea wall. Finally, the project will help reestablish an appreciation that has been lost in the San Diego region of natural, function beach ecosystems by providing educational and access opportunities at the project site.

The project was reviewed and subsequently recommended for funding 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 project meets each of the evaluation criteria in the Prop 1 Guidelines, as described in further detail in the following sections of this staff recommendation: “Project Financing” and “Project Summary” (sections above) and “Consistency with Conservancy’s Project Selection Criteria & Guidelines” (section below) and in the corresponding descriptions contained in the June 15, 2017 staff recommendation (Exhibit 3).

CONSISTENCY WITH CONSERVANCY’S ENABLING LEGISLATION:

The proposed project remains consistent with the Conservancy’s enabling legislations, as detailed in the June 15, 2017 staff recommendation (see Exhibit 3).

CONSISTENCY WITH CONSERVANCY’S ACCESS PROGRAM STANDARDS:

The footpath construction aspect of the proposed project remains consistent with the Conservancy’s access program standards, as detailed in the June 15, 2017 staff recommendation (see Exhibit 3).

**CONSISTENCY WITH CONSERVANCY'S 2018 STRATEGIC PLAN
GOAL(S) & OBJECTIVE(S):**

On November 30, 2017, the Conservancy adopted an updated Strategic Plan. The project remains consistent with the Conservancy's updated 2018-2022 Strategic Plan, as follows:

Consistent with **Goal 6, Objective B** of the Conservancy's 2018-2022 Strategic Plan, the proposed project will restore approximately 4 acres of coastal dunes.

Consistent with **Goal 8, Objective C**, the proposed project will implement an adaptation strategy to address threats to coastal communities and public infrastructure in a way that protects natural resources and provides maximum public benefits.

**CONSISTENCY WITH CONSERVANCY'S
PROJECT SELECTION CRITERIA & GUIDELINES:**

The proposed project remains consistent with the Conservancy's Project Selection Criteria and Guidelines, as detailed in the June 15, 2017 staff recommendation (see Exhibit 3).

CONSISTENCY WITH LOCAL COASTAL PROGRAM POLICIES:

The proposed project remains consistent with the Local Coastal Program policies, as detailed in the June 15, 2017 staff recommendation (see Exhibit 3).

COMPLIANCE WITH CEQA:

The proposed funding does not alter the fundamental nature of the project or its description, but seeks augmented funding for the project based on a more complete understanding of design components and the cost of implementation. Based on the further understanding to the design details of the project, there are no new significant environmental effects or substantial increases in the severity of previously identified significant effects, therefore no new CEQA documentation is needed. Thus, the proposed project remains consistent with the California Environmental Quality Act findings made in the June 15, 2017 staff recommendation (see Exhibit 3).