

COASTAL CONSERVANCY

Staff Recommendation

June 18, 2020

Carmel River Floodplain Restoration at Rancho Cañada

Project No. 16-023-02

Project Manager: Tom Gandesbery

RECOMMENDED ACTION: Authorization to disburse up to \$1 million of funds granted to the Conservancy by the Monterey Peninsula Regional Park District to prepare a habitat restoration and enhancement plan, environmental impact analyses, and permit applications for the restoration and enhancement of floodplain habitat on the Carmel River at the Rancho Cañada unit of the Palo Corona Regional Park in Monterey County.

LOCATION: Carmel Valley, Unincorporated Monterey County

PROGRAM CATEGORY: Resource Enhancement

EXHIBITS

Exhibit 1: [Project Location Map](#)

Exhibit 2: [Site Maps](#)

Exhibit 3: [Site Photos](#)

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 the disbursement of up to \$1 million dollars (\$1,000,000) of funds granted to the Conservancy by the Monterey Peninsula Regional Park District (“District”) to retain and manage consultants to prepare a habitat restoration and enhancement plan, environmental impact analyses, and permit applications for the restoration and enhancement of floodplain habitat on the Carmel River at the Rancho Cañada unit of the Palo Corona Regional Park in Monterey County.”

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 5.5 of Division 21 of the Public Resources Code, regarding Integrated Marine and Coastal Resources.
 2. The proposed project is consistent with applicable local watershed management plans and water quality control plans.
 3. The proposed project is consistent with the current Conservancy Project Selection Criteria and Guidelines.”
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PROJECT SUMMARY:

Staff recommends the Conservancy authorize the disbursement of up to \$1 million in funds granted to the Conservancy by the Monterey Peninsula Regional Park District (District) for preparation of a habitat restoration and enhancement plan, environmental impact analyses, and permit applications for the restoration and enhancement of approximately 60 acres of Carmel River floodplain habitat at the Rancho Cañada unit of the Palo Corona Regional Park. The Conservancy will use the funds to retain and manage consultants to carry out this planning project. The project would be undertaken in coordination with the District, which owns the Rancho Canada unit and has already awarded part of the \$ 1 million in grant funds to the Conservancy, with plans to award the remaining amount later this year.

The District acquired the Rancho Canada unit in 2016 at a cost of \$10.26 million, of which the Conservancy provided \$2 million. One purpose of the acquisition was to enable floodplain and riparian restoration at the site, which had been used as a golf course.

The Carmel River watershed is of major importance to the threatened central coast steelhead population (South-Central California Coast Distinct Population Segment, hereinafter SCCCS). Human impacts on the river from dams and other migration barriers, water withdrawals, and development of the floodplain have drastically impacted the river’s ability to support steelhead and other aquatic and riparian species. State and federal agencies have invested significantly in this watershed to reverse some of these impacts. While there has been huge progress in improving conditions for steelhead migration, in particular the 2015 removal of the San Clemente Dam, and curtailing of groundwater pumping at the subject property, the river suffers from a significant loss of floodplain habitat.

A natural floodplain is vital to the survival of salmonid fish, as they need this sort of habitat to grow and mature before returning to the ocean. Such habitat, which is flooded in the wet season and typically supports robust riparian habitat, provides far more food for young-of-the-year fish than the main part of the river. The floodplain also provides a slow-water refuge during high flow events. The Carmel River watershed contains over one hundred stream miles of high-quality spawning grounds, but only very limited floodplain.

The proposed project will develop a restoration and enhancement plan for the floodplain of the Carmel River at the Rancho Cañada unit of the Palo Corona Regional Park in the Carmel Valley

(Exhibit 1). The plan will include restoration of a natural floodplain and related features of habitat complexity benefiting fish, amphibians and other wildlife. The plan will strive to accommodate the existing public trails on the property and will consider other public access amenities that are compatible with habitat protection. Secondary potential benefits of the project are the enhancement of public access to the river for wildlife viewing, education, non-motorized recreation (subject to subsequent Park District Planning and Policy), and a reduction in flood threat to adjacent communities. The project is located about a mile upriver from the Highway 1 river crossing and is part of a larger effort to restore the Carmel River from the beach and tidal lagoon to its headwaters (Exhibit 2).

Following acquisition of the Rancho Canada unit by the District, the Conservancy has participated on a multi-partner Technical Advisory Committee (TAC) to assess options for restoration at the site. The District does not have staff with expertise in river restoration and therefore approached Conservancy staff about working together to advance the restoration plans. The District would provide funding (see Project Financing section below) and participate in the TAC, but the Conservancy would lead the planning effort. This approach was strongly supported by other members of the TAC.

In undertaking the proposed project, the Conservancy will coordinate closely with the TAC on the floodplain restoration features and integration of this restoration with other park uses. The Conservancy will contract with several consultants, including an engineering consultant to develop design alternatives that restore riparian habitat and integrate the restored areas with current and future upland habitat, and that are compatible with current and future public access opportunities. Consultants will also develop an environmental impact analysis pursuant to both State and federal requirements, and permit applications for implementation of the project by the District. The Conservancy may retain up to 10% of funding for staff costs related to project management and administration.

Site Description: The Carmel River watershed encompasses 255 square miles with the main stem of the Carmel River flowing 36 miles from its headwaters in the Ventana Wilderness through the Carmel River Valley into the Pacific Ocean at Carmel River State Beach (Exhibit 2). The lower 16 miles of the river, in which the Rancho Cañada site is located, are the most developed part of the watershed.

The lower reaches of the Carmel River once had large floodplains and emergent marshes (illustrated on Spanish mission-era maps) but were lost when ranchers and farmers began developing the land to maximize planting and grazing (Exhibit 3). Since the late 1800s the lower River has been channelized, woody debris removed, gravel and sand has been mined and various bridges and other structures constructed within the channel - all of which has constrained the river to a narrow and inhospitable course. In the 1960s, agriculture at Rancho Cañada was replaced by a 36-hole golf course. Subsequently, attempts were made to straighten the river and, at least, one massive bank armoring project took place (Exhibit 3).

The project site is on that portion of the former Ranch Cañada Golf Club property purchased by the District, which is approximately 185 acres in size and spans both banks of the Carmel River. The District maintains the former Ranch Cañada Golf Club clubhouse on the property as its offices, and the facility also functions as a visitor's center and trailhead for the public's access to

the larger Palo Corona open space park (Exhibit 2). Immediately downstream of the District's property is the remainder of the former Rancho Canada Golf Club property, which is now the 60-acre Rancho Cañada Village property (RCV), for which residential development has been proposed. (Exhibit 2). The Carmel River's riparian zone extends onto the RCV property, and the proposed RCV development includes dedication of the riparian zone to the District. Given the connectivity of the floodplain across both the RCV property and the Rancho Canada unit, and subject to District and Conservancy approval, a second phase of planning may include the RCV property.

The District's Rancho Canada unit has paved and unpaved golf cart paths and four footbridges within the property that span the Carmel River and currently provide limited public access to the Carmel River. This former golf course is planted in non-native grasses and shrubs interspersed with native oaks and cottonwoods, as well as, non-native dead and dying pines. The Carmel River, which runs through the center of the property, is a major natural feature of the property (Exhibit 4). Mature trees form a gallery forest along the riverbanks. The riparian corridor is identified as a FEMA floodway and the 100-year floodplain extends over much of the property. Immediately up- and downstream of the Rancho Cañada properties is a mix of residential and commercial development (Exhibit 2). In addition to the straightening and the hardening of the banks, the River has suffered from channel incision (downcutting) due to a deficit of certain kinds of sediment (upstream dams trapping much of fine sediment that would otherwise be transported to the ocean). This has left high banks along much of the channel so that the river can only access the floodplain in very high flows.

Several conservation properties surround Rancho Cañada properties, including Joyce Stevens Monterey Pine Forest Preserve, Jacks Peak County Park, the Santa Lucia Preserve, Point Lobos State Park, and Palo Corona Regional Park, making the property an important connector for riparian and upland species and their habitats (Exhibit 2).

Project History: This project is part of a concerted effort by federal, state and local government to restore migration and spawning of steelhead in the Carmel River watershed. The 2013 Steelhead Recovery Plan identified the need to restore the floodplain of the river to foster spawning and rearing of steelhead. Following the successful removal of San Clemente Dam in 2015, the Conservancy, CDFW and NOAA staff turned attention to removing barriers to fish migration and restoring lost floodplain habitat, including funding several fish barrier removal projects.

In 2016 The Trust for Public Land (TPL) purchased a significant portion of the 36-hole Rancho Cañada golf course (185 acres) for land conservation, water conservation (water rights) and restoration purposes. Subsequently, with funding from state agencies including \$2 million from the Coastal Conservancy, the Monterey Peninsula Regional Park District purchased the land from TPL. The District is in the process of drafting a master plan for the Palo Corona park (Exhibit 2) and, as part of San Clemente Dam removal, California State University-Monterey Bay has been monitoring the river and studying the effects that the removal is having on the river.

In 2018, the Conservancy used an existing consultant contract to provide a limited amount of technical assistance to the District to form the TAC, conduct a field tour with them, and hold a few brainstorming sessions with them to begin outlining goals, objectives, and opportunities for

future restoration. In 2019, the District asked if Conservancy staff would be willing to lead the next phase of restoration planning with funds from the District.

PROJECT FINANCING

Monterey Peninsula Regional Park District (grant to the Conservancy) \$1,000,000

Project Total **\$1,000,000**

The anticipated source of funds for this authorization is a grant from the Monterey Peninsula Regional Park District to the Conservancy for preparation of a habitat restoration and enhancement plan, environmental impact analyses and permit applications for floodplain on the District’s Rancho Canada unit. The District has granted \$617,610.60 to the Conservancy and expects to increase the grant amount to \$1,000,000 in the summer of 2020. The District staff has indicated interest in amending the grant in the future to include the adjacent RCV property.

The source of the District’s grant funds is the Trust for Public Land (TPL), which was the facilitator of the property acquisition in 2016 (See Project History, above). The funding from TPL, in turn, comes from payments made by California American Water Company (CAW) for curtailing water pumping on the property from the Carmel River aquifer beneath the site. This temporary ‘forbearance’ of the property’s water right was a condition of the sale from TPL to the District. This revenue stream is restricted and must be used for improvement of the property and to improve habitat conditions for or otherwise aid in the recovery of SCCC steelhead in the Carmel River watershed. The proposed project will plan for restoring spawning and rearing habitat and thereby help mitigate the impacts of CAW’s withdrawals on SCCC steelhead. Therefore, the proposed project is consistent with the District’s funding source. The District expects to receive an additional payment from TPL, which the District will then use to augment its current grant to the Conservancy.

CONSISTENCY WITH CONSERVANCY’S ENABLING LEGISLATION:

The proposed project will be undertaken pursuant to the Chapter 5.5 of the Conservancy’s enabling legislation, Division 21, Public Resources Code (PRC), Section 31220, regarding integrated coastal and marine resources protection.

PRC Section 31220(a) authorizes the Conservancy to undertake a project or award a grant for coastal watershed and living marine resources protection and restoration projects that meet one or more of the criteria of Section 31220(b). The proposed project will help achieve the objectives of the following Section 31220(b) subsections: (b)(2) protect and restore fish and wildlife habitat within a coastal watershed; (b)(6) restore sensitive watershed lands; (b)(7) reduce the impact of population pressures on the coastal resources; and (b)(8) provide for coastal access compatible with resource protection and restoration objectives. The proposed project will help achieve these objectives by restoring critical floodplain habitat for steelhead and other aquatic species.

Consistent with §31220(a), staff has consulted with the State Water Resources Control Board and the Central Coast Regional Water Quality Control Board in the development of the project to ensure consistency with Chapter 3 (commencing with Section 30915) of Division 20.4 of the Public Resources Code concerning protection and restoration of water quality of coastal waters.

As Section 31220(c) directs, the proposed project is consistent with the Water Quality Control Plan (Basin Plan) prepared by the regional water quality control board as discussed in detail below under "Consistency with Local Watershed Management Plan/State Water Quality Control Plan" The project will include coordination with regional board staff during the design process in preparation for a permit or water quality certification from the Regional Water Board.

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

Consistent with **Goal 6, Objective C** of the Conservancy's 2018-2022 Strategic Plan, the proposed project will develop plans to preserve and enhance a coastal watershed and floodplain and improve fish spawning and rearing habitat in the Carmel River.

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:**
 - The project implements the 2020 **California Water Resilience Portfolio** (California Natural Resources Agency; California Environmental Protection Agency; California Department of Food and Agriculture), which under the heading **Protect and Enhance Natural Systems**, directs agencies to... support expansion of multi-benefit floodplain projects across the Central Valley and coastal regions, including projects that restore or mimic historical river and floodplain processes..." (Page 21, #11.3).
 - The project is consistent with the California Department of Fish and Wildlife's (CDFW) 2005 **California Wildlife Action Plan**, which sets forth goals for the Central Coast region that include protecting sensitive species and important wildlife habitat and restoring anadromous fish populations.
 - The project implements a recovery action identified for the Carmel River biogeographic group in NMFS' 2013 **SCCCS Recovery Plan**. Specifically, the project will, consistent with CAR-SCCCS-7.1, "Develop and implement a plan to restore natural channel features" and CAR-SCCCS-7.3, "Develop and implement stream

bank and riparian corridor restoration plan”. The project will also further the overarching Recovery Objective to “restore suitable habitat conditions and characteristics to support all life history stages of viable [steelhead] populations.”

4. **Support of the public:** The proposed project is supported by the National Marine Fisheries Service, the Carmel River Watershed Conservancy, the Santa Lucia Conservancy, the Carmel River Steelhead Association, and the Steinbeck Country Chapter of Trout Unlimited; and it addresses priority actions defined by the Carmel River Task Force (Exhibit 4).
5. **Location:** The center of the proposed project is located about a one mile upstream of the Highway 1 river crossing and about two miles upstream from the ocean (Exhibit 1). The project is located outside of the Coastal Zone and will benefit steelhead, an anadromous fish species, by providing critical habitat.
6. **Need:** The Park District does not have the staff capacity to manage this project. Without the Conservancy’s support, the project will not occur.
7. **Greater-than-local interest:** SCCC steelhead is a federally-threatened species and the Carmel River population has been identified as one of the highest priorities for recovery. The proposed project will enhance spawning and rearing habitat for SCCC steelhead.
8. **Sea level rise vulnerability:** The proposed project is located inland at an elevation greater than 30 feet above sea level and therefore not vulnerable to sea level rise within projected climate change timeframes (by 2100).

Additional Criteria

9. **Urgency:** SCCC steelhead populations in the Carmel River have likely been harmed by several years of drought and the adverse conditions caused by over-pumping of the river’s water. Immediate steps are needed to help steelhead survive during Cal-Am’s over-pumping of the river, which is estimated to continue until at least 2022.
10. **Leverage:** See the “Project Financing” section above.
13. **Innovation:** Restoration of floodplains is a relatively recent goal for salmonid fish restoration and project outcomes should be of interest to researchers and practitioners throughout the Pacific Coast region.
14. **Readiness:** The Park District has funding available for this project and is seeking the Conservancy’ immediate assistance.
15. **Realization of prior Conservancy goals:** This project complements several other projects the Conservancy has funded to improve habitat in the Carmel River watershed including restoration of the south arm of the lagoon, removal of the San Clemente Dam, floodplain restoration east of Highway 1 and removal of barriers on San Clemente Creek and Finch Creek.
16. **Cooperation:** The Conservancy will work with the existing Technical Advisory Committee, made up of staff from the state and federal agencies responsible for steelhead recovery, as

well as staff from the Monterey Peninsula Water Management District, Trout Unlimited and the Santa Lucia Conservancy.

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

Projects undertaken pursuant to Public Resource Code Section 31220 must be consistent with the following, if available and relevant: Integrated Watershed Resource Management Programs (IWRMP); local watershed management plans; and water quality control plans, adopted by the state and regional water boards.

The proposed project is consistent with the **Monterey Peninsula, Carmel Bay, and South Monterey Bay IWRMP**, November 2019 (Monterey IRWMP), the scope of which includes the Carmel River. In particular, the proposed project is consistent with objective WQ-1 in Table 3-2: “WQ-1 Improve inland surface water quality for environmental resources (e.g. steelhead)...” (Page 3-6); and, with goal CSE-2 in the Plan’s goals related to Coastal and Streamside Erosion, which states that the goal is to “identify opportunities to restore natural stream function, including meandering, in the lower 15 miles of the Carmel River ... (Page 3-7)

The **Water Quality Control Plan for the Central Coastal Basin**, March 2016 (Plan), adopted by the Regional Water Quality Control Board, designates several beneficial use objectives for the Carmel River, including cold freshwater habitat, habitat for migration of aquatic species, spawning and rearing habitat, and habitat for rare, threatened or endangered species. The proposed project will enhance the Carmel River channel to the benefit of all of these water quality objectives, and is thus consistent with the Plan’s identified beneficial uses.

CEQA COMPLIANCE:

The proposed project is statutorily and categorically exempt from the California Environmental Quality Act (CEQA), pursuant to 14 Cal. Code of Regulations Sections 15262 and 15306. Consistent with section 15262, the project will involve preparation of planning and feasibility studies and will consider environmental factors. Consistent with section 15306, the project includes basic data collection and resource evaluation activities, and these will not result in serious or major disturbance to an environmental resource. Upon approval, staff will file a Notice of Exemption for this project.