

COASTAL CONSERVANCY

Staff Recommendation
March 25, 2021

Moran Lake Restoration and Public Access Planning

Project No. 20-048-01
Project Manager: Hilary Hill

RECOMMENDED ACTION: Authorization to disburse up to \$360,000 to the County of Santa Cruz to prepare technical analyses, design plans, environmental review documents, and permit applications for water quality and public access improvements and habitat restoration at Moran Lake in Santa Cruz County.

LOCATION: Moran Lake, Santa Cruz County

EXHIBITS

- Exhibit 1: [Project Location Map](#)
Exhibit 2: [Site Photographs](#)
Exhibit 3: [Project Letters](#)
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RESOLUTION AND FINDINGS

Staff recommends that the State Coastal Conservancy adopt the following resolution and findings.

Resolution:

The State Coastal Conservancy hereby authorizes a grant of an amount not to exceed three hundred sixty thousand dollars (\$360,000) to the County of Santa Cruz (“the grantee”) to prepare technical analyses, design plans, environmental review documents, and permit applications for water quality and public access improvements and habitat restoration at Moran Lake in Santa Cruz County.

Prior to commencement of the project, the grantee shall submit for the review and written approval of the Executive Officer of the Conservancy (Executive Officer) the following:

1. A detailed work program, schedule, and budget.
2. Names and qualifications of any contractors to be retained in carrying out the project.
3. A plan for acknowledgement of Conservancy funding and Proposition 1 as a source of that funding.

4. In addition, to the extent appropriate, the grantee shall incorporate the guidelines of the Conservancy's "Standards and Recommendations for Accessway Location and Development".

Findings:

Based on the accompanying staff recommendation 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 coastal and marine resource protection and public access.
2. The proposed project is consistent with the current Conservancy Project Selection Criteria and Guidelines.

STAFF RECOMMENDATION

PROJECT SUMMARY:

Staff recommends the Conservancy authorize a \$360,000 grant to County of Santa Cruz for the planning of water quality and public access improvements and habitat restoration at Moran Lake County Park ("the Park") in central Santa Cruz County. The proposed project will complete several planning tasks, including preparing technical analyses, design plans, environmental review documents, and permit applications for habitat restoration and water quality and public access improvements to enhance water quality, wetland function, and visitor experience at Moran Lake County Park.

Moran Lake is a coastal lagoon located in urban unincorporated Santa Cruz County between the cities of Santa Cruz and Capitola. Moran Lake is part of 9.2-acre Moran Lake County Park which also features a parking lot and restrooms, access to an adjacent sandy beach, trails along the riparian corridor that connect inland to neighboring communities, and a Eucalyptus grove that harbors one of the largest wintering colonies of monarch butterflies in Santa Cruz County.

As part of an urban watershed, Moran Lake suffers from poor water quality and habitat degradation. In the early 1960's, Moran Lake was filled with dredge materials from the development of the Santa Cruz Yacht Harbor, reducing its size from nine acres to five acres. Moran Lake's water quality problems have been well-documented since the 1970's, including in a Coastal Conservancy funded study in 1980. Approximately 95% of the Moran Lake watershed has been urbanized and has increased the amount of storm water run-off entering Moran Lake. Urban pollutants such as fecal coliform bacteria and fertilizers are present in Moran Lake which can lead to algal blooms and low oxygen levels in the water. Due to altered stream hydrology, the banks along Moran Lake and the riparian corridor are severely eroded, impairing water quality and threatening portions of the trail system in the Park. Persistent poor water quality conditions at Moran Lake have contributed to low habitat quality, including the decrease of suitable habitat for the tidewater goby, a federally listed endangered species.

With Conservancy funding, the Santa Cruz County Parks Department (“County Parks”) will conduct planning for improvements to address these water quality and habitat issues and improve public access to Moran Lake County Park. Planning will build on previous work completed in the Moran Lake Water Quality Study and Conceptual Restoration Plan (2005) and Moran Lake County Park Habitat Management Report (2010). County Parks will engage technical experts and conduct community engagement to develop the plans using best available science and community feedback, including engaging disadvantaged communities that are within 0.5-1.0 miles of the Park. Planning tasks include technical analyses, designs, environmental review, and permit preparation which will allow County Parks to secure grant funding for implementation of the proposed water quality, habitat, and public access improvements.

Proposed water quality improvement and habitat restoration features will include: bank stabilization and revegetation to reduce erosion and sedimentation; restoration of fringe wetlands and upland habitats to improve water quality and habitat function; and installation of bioswales and bioretention designs to filter contaminants before they reach the creek and lagoon (and eventually the Pacific Ocean). County Parks will also complete a hydrology monitoring and modeling study to better understand water quality impacts from existing conditions at the mouth of the lake, which is constrained by an existing box culvert under East Cliff Drive. The study will also consider impacts of changes with projected sea level rise and will provide recommendations for future actions at the mouth of Moran Lake.

Public access features that will be planned for as part of this project include: relocating main trails further from eroding banks, updating restroom and parking facilities to be accessible for persons with disabilities, and installing interpretive signage educating visitors of the history and ecological significance of Moran Lake and its greater coastal watershed. The project may also include plans to improve access to the beach with a ramp or similar structure. These features will not only improve visitor experience at Moran Lake County Park, but improve non-motorized access for urban populations to the coast.

Site Description: Moran Lake County Park is a 9.2-acre coastal natural area in an urban unincorporated area of Santa Cruz County between the cities of Capitola and Santa Cruz. This location is part of the unceded territory of the Awaswas-speaking Uypi Tribe, which is represented contemporarily as the Amah Mutsun Tribal Band. The Park is bordered by the Monterey Bay coastline, low-density residential neighborhoods, and the D.A. Porath (Lode Street) Sanitation Facility.

Moran Lake is a coastal lagoon which seasonally connects to the Pacific Ocean and Monterey Bay National Marine Sanctuary through a box culvert under East Cliff Drive and is a main feature of the Park. Although Moran Lake suffers from poor water quality, the tidewater goby, a federally listed endangered species, has been observed at Moran Lake as recently as 2015. The Park extends inland from Moran Lake, and includes approximately 1,000 feet of perennial Moran Creek and a mature blue gum eucalyptus grove that is the second largest wintering habitat area for the monarch butterfly in Santa Cruz County and supports 5% of the state-wide wintering monarch population, according to a 2010 study.

Invasive non-native species are prevalent along the riparian corridor and understory, including English ivy, Cape ivy, ice plant, French broom, and Himalayan blackberry. The Park's visitor amenities include free parking and restrooms, access to the adjacent sandy beach, park benches, and approximately 2,000 linear feet of multi-use trail that connects nearby communities to the coast. Moran Lake County Park is surrounded by a higher cost residential area but is also within walking distance (0.5-1.0 miles) of multiple disadvantaged and severely disadvantaged communities in the unincorporated community of Live Oak.

Grant Applicant Qualifications: County Parks manages over 1,500 acres of parkland, including 38 neighborhood, community, regional, or rural parks; 27 coastal access points; 23 playgrounds; 19 parks with athletic facilities; 5 parks with community rooms; and one regional swim center. County Parks employs financial analysts who administer and track grant funding, planners who oversee the public engagement, permitting, design, and construction processes, and park operations and maintenance staff who maintain the parks in a safe manner. County Parks has implemented numerous state grants for revegetation and restoration projects, including the 2012 Proposition 84 Strategic Growth Council Urban Greening Program Phase 1 projects at the Farm County Park and the 2013 Habitat Conservation Fund for Quail Hollow Ranch County Park.

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 below.
2. **Consistency with purposes of the funding source:** See the "Project Financing" section below.
3. **Promotion and implementation of state plans and policies:**
 - *California Water Action Plan:* The proposed project is consistent with Action 4 to "protect and restore important ecosystems," including restoring coastal watersheds and strategic coastal estuaries, such as Moran Lake, to restore ecological health and nature system connectivity.
 - *California @ 50 Million:* The proposed project is consistent with the Plan's 3rd key area to "steward and protect natural and working landscapes" by restoring coastal ecosystem health to Moran Lake County Park.
 - *CA Wildlife Action Plan:* The proposed project will promote Central Coast province specific conservation strategies for coastal lagoons by (1) developing a plan for management prioritization, including restoration needs, (2) securing permits and completing environmental review, and (3) performing conservation-oriented management and restoration actions.

- *Coastal Act (1976)*: The proposed project is consistent with Public Resources Code Section 30240 for environmentally sensitive habitat areas which states that “development in areas adjacent to environmentally sensitive habitat areas and parks and recreation areas shall be sited and designed to prevent impacts which would significantly degrade those areas, and shall be compatible with the continuance of those habitat and recreation areas.”
4. **Support of the public**: The project is supported by Save our Shores, Friends of Santa Cruz County Parks, Central Coast Wetlands Group, Resource Conservation District of Santa Cruz County, Groundswell Coastal Ecology, Santa Cruz County Supervisor Manu Koenig, State Senator John Laird, State Assemblymember Mark Stone (Exhibit 3).
 5. **Location**: See the “Project Summary”.
 6. **Need**: If funds from the Conservancy were not available, County Parks would not be able to complete the project and the existing poor conditions of Moran Lake would persist. Funding will allow County Parks to completing planning necessary to secure grant funding for implementation of water quality, habitat, and public access improvements.
 7. **Greater-than-local interest**: The Monterey Bay coastline hosts millions of visitors annually and Moran Lake County Park’s central location within the County, combined with free parking, restroom, and beach access appeal to visitors not only from adjacent neighborhoods but the greater region as well. Improved water quality of the coastal lagoon will benefit the nationally acclaimed Monterey Bay National Marine Sanctuary as well as the tidewater goby, a federally endangered species.
 8. **Sea level rise vulnerability**: Moran Lake County Park is located between 12’ and 18’ above mean sea level. Project planning will evaluate the proposed improvements vulnerability to impacts from projected rising sea levels. The proposed project will include modeling to understand how forecasted projections of sea level rise will impact the Moran Lake lagoon system and identify recommended actions for the mouth of Moran Lake.

Additional Criteria

9. **Resolution of more than one issue**: Improvements to the overall ecological health of the area will also improve visitor experience of this natural park. Improvements to restore banks and re-route trails away from the bank edge will improve water quality and habitat in Moran Lake, as well as increase the longevity of recreational trails.
10. **Leverage**: See the “Project Financing” section below.
11. **Realization of prior Conservancy goals**: See the “Project Summary” section above.

PROJECT FINANCING

Coastal Conservancy	\$360,000
County of Santa Cruz	\$41,000
Project Total	\$401,000

The anticipated source of Conservancy funding for this project are from two appropriations. The first anticipated source of Conservancy funding is an 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 Proposition 1 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 identifies specific purposes that these funds may be used for, including: to protect and restore aquatic, wetland and migratory bird ecosystems, including fish and wildlife corridors; protect and restore coastal watersheds, including, but not limited to bays, marine estuaries, and nearshore ecosystems; and assist in the recovery of endangered, threatened or migratory species by improving watershed health, instream flows, fish passage and coastal or inland wetland restoration (Section 79732(a)(4), (10), and (12)).

The proposed project will help achieve these purposes by completing planning necessary to enable restoration of Moran Lake including fringe wetland restoration, improving water quality and watershed health, and assisting in recovery of the federally-threatened tidewater goby. As required by Proposition 1, the proposed project will plan a restoration project that will provide multiple benefits, including water quality improvements, habitat restoration, and public access.

The project was reviewed and 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 proposed project meets each of the evaluation criteria in the Prop 1 Guidelines as described in further detail in the “Project Summary” section and in the “Consistency with Conservancy’s Project Selection Criteria & Guidelines” section of this report.

The second anticipated source of Conservancy funding is an appropriation from the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006, Public Resources Code Section 75001 et seq. (Proposition 84). Proposition 84 authorizes the use of these funds for the purpose of protecting and restoring beaches, bays and coastal waters and watersheds and for promoting access to and enjoyment of coastal resources of the state (PRC Section 75060). As required by projects funded with Proposition 84 funds, this project is consistent with the Conservancy’s enabling legislation (Division 21 of the Public Resources Code), as described in the “Consistency with Conservancy’s Enabling Legislation” section below.

Public Resources Code Section 75060(e) specifically allocates funds to the Conservancy for the protection of Monterey Bay and its watersheds. “Protection,” as defined in the Public Resources Code Section 75005(m), includes “actions necessary to allow the continued use and enjoyment of property or natural resources and includes acquisition, development, restoration, preservation and interpretation.” Consistent with these provisions, this proposed project will restore and improve access and enjoyment of Moran Lake County Park, located within a Monterey Bay watershed.

Santa Cruz County Parks will be dedicating \$41,000 in matching funds to the proposed project and is also providing in an additional \$39,000 in in-kind services for staff time including community outreach, project oversight, and coordination. These County contributions are

provided as estimates. The Coastal Conservancy does not typically require matching funds nor does it require documentation of expenditures from other funders. Typical grant conditions require grantees to provide any funds needed to complete the project.

CONSISTENCY WITH CONSERVANCY'S ENABLING LEGISLATION:

The proposed project is undertaken pursuant to Chapter 5.5 of Division 21 of the Public Resources Code (Section 31220). Pursuant to section 31220(a) and 31220(b)(1,2,3,4,6,8), the proposed project at Moran Lake County Park will improve coastal water quality and habitat, including the reduction of contaminants through bioswales and bioretention designs, restoration of coastal wetlands and coastal wildlife habitats, reduction of water quality threats to wildlife, reduction of erosion and sedimentation of the coastal lagoon, and improvements of public access that are compatible with resource protection and restoration objectives, such as the setback of trails from eroding banks. As required by Section 31220(a), the Conservancy has consulted with the State Water Board. As required by Section 31220(c) the project will include a monitoring and evaluation component, including a lagoon hydrology monitoring and modeling study and other technical analyses required for planning and permitting of the proposed habitat restoration and public access improvements.

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

Consistent with **Goal 2, Objective C** of the Conservancy's 2018-2022 Strategic Plan, the proposed project will design improvements that will enhance coastal recreation opportunities including improvements that will increase accessibility of Moran Lake County Park for persons with disabilities, such as modifications to the parking lot and a new ADA-accessible restroom.

Consistent with **Goal 4, Objective B** of the Conservancy's 2018-2022 Strategic Plan, the proposed project will support the design of interpretive signage that educates visitors on the history and ecological significance of Moran Lake and its greater coastal watershed.

Consistent with **Goal 6, Objective A** of the Conservancy's 2018-2022 Strategic Plan, the proposed project will restore fringe wetland habitat in Moran Lake and riparian corridor and enhance upland habitat.

Consistent with **Goal 6, Objective F** of the Conservancy's 2018-2022 Strategic Plan, the proposed project will complete plans to improve water quality that will benefit coastal Moran Lake which is seasonally connects to the Monterey Bay National Marine Sanctuary.

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

The proposed project is consistent with the Santa Cruz Integrated Regional Water Management Plan (IRWM) (2014), a cooperative regional framework for water resources management which identifies high priority projects and programs for implementation to address the water resource challenges facing the Santa Cruz region. The proposed project will assist in planning for one of the priority projects listed in the IRWM: the Moran Lake Water Quality and Butterfly Habitat

Restoration Project. The IRWM Plan also provides overarching goals relevant to this project, including: improving the condition of riparian and aquatic ecosystems to support the native species, watershed functions, and regional water needs. The proposed project is consistent with strategies identified in the IRWM Plan including sediment source control, riparian enhancement, and increasing infiltration.

The proposed project is also consistent with the Water Quality Control Plan for the Central Coast Basin (2017). The proposed project will help assist in the Central Coast Water Boards' vision for Healthy Aquatic Habitats and sustainable land management that achieve healthy watershed functions. The Water Quality Control Plan designates beneficial uses of Moran Lake as wildlife habitat, warm fresh water habitat, recreation, and groundwater recharge.

CEQA COMPLIANCE:

The proposed project involves preparation of designs, environmental review, and permit applications. These activities are exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to Title 14 of the California Code of Regulations Section 15262, which exempts feasibility and planning studies for possible future actions not yet funded by the Conservancy, and Section 15306, which exempts data collection and resource evaluation activities that do not result in a serious or major disturbance to an environmental resource. Consistent with Section 15262, the project will consider environmental factors in the plan development and permit applications. Consistent with Section 15306, the data collection and resource evaluation components of the project will not cause major or serious disturbance to the environment. Consistent with both sections, the project concerns possible future actions that the Conservancy has not yet approved, adopted or funded.

Upon approval of the project, Conservancy staff will file a Notice of Exemption.