COASTAL CONSERVANCY

Staff Recommendation
June 1, 2023

RANCHO CAÑADA FLOODPLAIN RESTORATION

Project No. 16-023-02
Project Manager: Rachel Couch

RECOMMENDED ACTION: Authorization to disburse up to $711,000 for preparation of final designs, obtaining permits, and conducting project management support as an augmentation and expansion of the Conservancy's grant, previously authorized on June 18, 2020, for planning and permitting 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, and adoption of findings under the California Environmental Quality Act.

LOCATION: Lower Carmel Valley, Monterey County (Exhibit 1)

EXHIBITS

Exhibit 1: Project Location Map

Exhibit 2: June 18, 2020 Staff Recommendation

Exhibit 3: Consolidated Final Restoration Projects Statewide General Order Programmatic Environmental Impact Report: https://www.waterboards.ca.gov/water_issues/programs/cwa401/generalorders/2022/srgo-final-peir-combined.pdf

Exhibit 4: CEQA Analysis and Mitigated Monitoring and Reporting Plan: https://mprpd.specialdistrict.org/files/e1004de5c/Item0423-11B_ApproveRCUFloodplainPEIR_Attach2.pdf

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RESOLUTION AND FINDINGS

Resolution:

The State Coastal Conservancy hereby authorizes the disbursement of up to seven hundred eleven thousand dollars ($711,000) to consultants to prepare final designs, obtain permits, and conduct project management support as an augmentation and expansion of the Conservancy's grant, previously authorized on June 18, 2020, for planning and permitting 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, subject to the conditions of the June 18, 2020 authorization.

Staff further recommends that the Conservancy adopt the following findings:

"Based on the accompanying staff recommendation and attached exhibits, the State Coastal Conservancy hereby finds that:

1. The proposed authorization remains consistent with Chapter 5.5 of Division 21 of the Public Resources Code, regarding Integrated Marin and Coastal Resources.
2. The proposed authorization is consistent with the current Conservancy Project Selection Criteria.
3. The Conservancy has independently reviewed and considered the Consolidated Final Restoration Projects Statewide General Order Programmatic Environmental Impact Report (PEIR) which was certified by the California State Water Resources Control Board on August 6, 2022, pursuant to the California Environmental Quality Act ("CEQA") (Exhibit 3), and the California Environmental Quality Act Analysis (CEQA Analysis) for the Rancho Canada Floodplain Restoration Project (Project) approved by the Monterey Peninsula Regional Park District on April 5, 2023 (Exhibit 4). The Conservancy finds that:
    a. The Project meets the definition of a restoration project under the General Order.
    b. All of the effects of the Project have been covered in the PEIR and all applicable general protection measures, best management practices, and mitigation measures identified in the PEIR will be implemented.
    c. The Project is, therefore, within the scope of the PEIR and no additional CEQA documentation is required.
    d. The Conservancy finds that the Project will have "potentially significant" effects in the areas of Aesthetics, Air Quality and Greenhouse Gas Emissions, Cultural Resources, Geology and Soils, Hazards and Hazardous Materials, Noise, Recreation, Transportation, Tribal Cultural Resources, and Wildfire. With regards to these impacts, the Conservancy finds that the Project, as modified by the incorporation of the mitigation measures identified in PEIR, avoids, reduces, or mitigates all possible significant environmental effects of the project to less-than-significant levels except for the potentially significant impacts identified in finding 3e below.
    e. The Conservancy further finds that the Project may result in "significant and unavoidable" impacts to Air Quality and Greenhouse Gas Emissions, but environmental and other benefits of the Project as described in the accompanying staff recommendation outweigh or render acceptable these unavoidable adverse environmental impacts to achieve the objectives of the Project.
    f. The Conservancy adopts the Findings regarding Significant Effects and Statement of Overriding Considerations set forth in the accompanying staff recommendation.
    g. Mitigation measures have been adopted by MPRPD as lead agency for the Project. As landowner, implementation of these mitigation measures is within the jurisdiction of MPRPD.

STAFF RECOMMENDATION

PROJECT SUMMARY:

Staff recommends the Conservancy disburse $711,000 for preparation of final designs, obtaining permits, and conducting project management support for the Rancho Canada Floodplain Restoration Project ("Project"), which will restore the river channel and 40 acres of floodplain along one mile of the Carmel River at the former Rancho Cañada golf course. The recommended authorization will augment and expand the Conservancy's June 18, 2020 authorization (Exhibit 2) to disburse $1 million, for a total authorized amount of $1.6 million for planning, environmental review, final design, permitting, bid documents, and other pre-construction project management support for the Project. The Project has been developed as a collaboration between the Monterey Peninsula Regional Park District (MPRPD), which is the landowner, and the Coastal Conservancy. At the request of MPRPD, the Conservancy is leading the floodplain restoration planning and MPRPD contributed $590,000 to the initial $1 million authorization. Following the 2020 authorization, the Conservancy awarded a contract to McBain Associates for the preliminary planning, environmental review, and permit application process. These tasks have been mostly completed except that additional funds might be needed to complete all permit applications. The recommended funds will be used to complete all permit applications, secure all the necessary permits, prepare 100% project designs and bid documents, and assist with other pre-construction project management tasks, such as preparing grant applications, needed to ready the Project for construction.

The Project will remove riprap where possible, recreate historical channel and floodplain features, widen the river channel to increase habitat, and add alcoves for backwater habitats. Two of the four existing pedestrian bridges will be removed and one bridge will be replaced. A variety of native plants will be planted with appropriate species depending on the estimated depth to groundwater, intended hydrologic function, and threat of invasive plant species recolonization. See Exhibit 2 for more details on the Project's background and goals.

The Rancho Cañada Floodplain Restoration Project qualifies for one of the new Cutting Green Tape mechanisms for simplifying environmental review and permitting of restoration projects. Specifically, the Project qualifies for coverage under a new Programmatic Environmental Impact Report (PEIR) adopted by the State Water Resources Control Board for riparian and wetland restoration projects (Exhibit 3). The likely environmental impacts of the project are described in the PEIR and in a new general permit adopted by the Regional Water Quality Control Board. The intent of the new PEIR and general permit are to harmonize mitigation measures likely to be required under CEQA with the requirements of permits issued by the Regional Water Quality Control Boards (RWQCB) and California Department of Fish and Wildlife (CDFW), as well as the U.S. Army Corps of Engineers and other federal resource agencies. See Consistency with California Environmental Quality Act section below for more information.

Site Description: See Exhibit 2.

CONSISTENCY WITH CONSERVANCY'S PROJECT SELECTION CRITERIA:

The Project is consistent with the Conservancy's Project Selection Criteria, last updated on September 23, 2021, in the following respects:

Selection Criteria

1. **Extent to which the project helps the Conservancy accomplish the objectives in the Strategic Plan.**

See the "Consistency with Conservancy's Strategic Plan" section below.

2. **Project is a good investment of state resources.**

The Project is consistent and implements the state's policies and goals related to riverine and fisheries restoration and builds on past and existing projects and investments by the Conservancy, and other state agencies in the restoration of riparian habitat in the Carmel River watershed. The restoration design was developed in consultation with a Technical Advisory Committee made up of riparian restoration experts from federal, state, and local agencies as well as non-governmental organizations. The engineering approach proposed has demonstrated success throughout the west coast.

3. **Extent to which the project helps the Conservancy accomplish the objectives in the Strategic Plan.**

See the "Consistency with Conservancy's Strategic Plan" section below.

4. **Project includes a serious effort to engage tribes. Examples of tribal engagement include good faith, documented efforts to work with tribes traditionally and culturally affiliated to the project area.**

The Project has been the subject of extensive outreach to local stakeholders, including tribal groups for which the Carmel Valley is their ancestral home. In May of 2022 outreach letters were sent to all known tribal contacts. Two tribes initially responded and requested consultation and monitoring during construction as well as cultural sensitivity training. Follow-up calls were made to several more tribal representatives which are detailed in the project's 2022 Cultural Resources Technical Report. Engagement with these tribes will continue during the construction phase of the project. In addition, MPRPD has an ongoing relationship with the representative of a tribe related to cultural use of riparian plants (sedges) and has consulted with her on the proposed plant palette for site restoration.

5. **Project benefits will be sustainable or resilient over the project lifespan.**

The Project will restore natural fluvial processes and will create up to forty acres of new floodplain which will enhance sediment storage and aquifer replenishment. The restored floodplain will be within a designated "process area" of the park in which maintenance of park infrastructure (e.g. restrooms, paved trails) will be discouraged in order to let the river move laterally. A significant replanting of native vegetation is proposed but the Project will also rely on natural recruitment of certain shrub and tree species (e.g. Cottonwood). The Project is designed to be self-mitigating and, with the exception of a new pedestrian bridge, will require no maintenance.

6. Project delivers multiple benefits and significant positive impact.

The completion of design and permitting for the Project implements a recovery action identified for the Carmel River biogeographic group in the National Marine Fisheries Service's 2013 South-Central California Coast (SCCC) Steelhead Recovery Plan**.** Specifically, it is 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 benefit public access at the site by removing three aging pedestrian bridges and constructing a new bridge that will provide opportunities for loop trail hikes at the site.

7. Project planned with meaningful community engagement and broad community support.

The Project was developed with the active participation of several riparian restoration experts including staff from the National Marine Fisheries Service, CDFW, Wildlife Conservation Board, Monterey Peninsula Water Management District, Trout Unlimited, and the Santa Lucia Conservancy. The Project has also been identified as a priority by the Carmel River Task Force. The Carmel Valley community has shown great interest in the development of the Rancho Cañada unit of Palo Corona Regional Park, including restoration of the floodplain. The floodplain concept and preliminary design have been shared with the public at MPRPD board meetings.

PROJECT FINANCING

Coastal Conservancy (current authorization)	**$711,000**
Previous Authorization	
Coastal Conservancy	$410,000
Monterey Peninsula Regional Park District (via a grant to the Coastal Conservancy	$590,000
Project Total	**$1,711,000**

The costs shown in the above table are the costs of the planning, design, environmental review, permitting, bid documents, and other project management tasks needed to ready the Project for construction. The anticipated source of Conservancy funds for the proposed augmentation is the Carmel River Settlement Account ("Account") within the Conservancy's Coastal Trust Fund. The Account consists of funds paid by California American Water Company (CAW) pursuant to a settlement agreement with the National Marine Fisheries Service concerning alleged Endangered Species Act violations. The settlement required CAW to pay $16.7 million over a twelve-year period. The settlement funds can only be used to improve habitat conditions for, and production of SCCC Steelhead, or otherwise aid in the recovery of SCCC Steelhead in the Carmel River watershed. In addition, these funds can only be expended for mitigation of impacts from well-pumping and water withdrawals by CAW. One effect of CAW's water withdrawals is the loss of access to rearing habitat in the lower Carmel River, because it dries up in the summer. The Project will restore winter and spring rearing habitat for juvenile SCCC Steelhead and provide a refuge during high flow events and will thereby help mitigate the

impacts on SCCC Steelhead from CAW's water withdrawals. Therefore, the proposed project is consistent with the funding source.

The settlement agreement directs the Conservancy to, when possible, maximize the value of the settlement funds by seeking cash or in-kind matching contributions. Although at this phase in the Project, the settlement funds have been maximized through other contributions, staff is working with the Park District to apply for federal and state grants for implementation, which is expected to cost $25 million.

CONSISTENCY WITH CONSERVANCY'S ENABLING LEGISLATION:

The completion of design and permitting for the Project remains consistent with the Conservancy's Enabling Legislation as described in the June 18, 2020, staff recommendation (Exhibit 2).

CONSISTENCY WITH CONSERVANCY'S 2023-2027 STRATEGIC PLAN GOAL(S) & OBJECTIVE(S):

Consistent with **Goal 3.2 Restore and Enhance Habitats,** the recommended grant augmentation will continue planning for the restoration of approximately 40 acres of riparian and floodplain habitat along the lower Carmel River.

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

Planning the Project remains consistent with the Local Watershed Management Plan/State Water Quality Control Plan as described in the June 18, 2020, staff recommendation (Exhibit 2).

CEQA COMPLIANCE:

On August 16, 2022, the State Water Quality Control Board adopted a Statewide Restoration General Order for Clean Water Act Section 401 Water Quality Certification and Waste Discharge Requirements for Restoration Projects Statewide – Order No. WQ 2022-0048-DWQ (Order) and certified the Consolidated Final Restoration Projects Statewide Order Programmatic Environmental Impact Report (PEIR). As described in the Project Summary section above, the Order and PEIR are part of the State's Cutting Green Tape initiative to facilitate implementation of restoration projects. The Order establishes a permitting process for a set of environmentally beneficial restoration project types and associated measures to protect species and the environment. The order covers 10 categories of restoration projects.

To be permitted under the Order, a project must meet the Order's definition of a restoration project: an eligible project type that would result in a net increase in aquatic or riparian resource functions and/or services through implementation of relevant protection measures. A restoration project permitted by the Order may include multiple benefits, such as groundwater recharge, recreation, flood management, water quality improvement, and/or adaptation to

climate change. The Order includes General Protection Measures and Design Guidelines that must be incorporated into permitted projects. In addition, the PEIR identifies additional mitigation measures to reduce and avoid potential project impacts.

Projects permitted under the Order can use the PEIR to comply with California Environmental Quality Act (CEQA). If the party implementing an individual restoration project is a public agency, that agency will typically be the CEQA lead agency under the Order. If the implementing party implementing is a private entity, that party would coordinate with the public agency with principal responsibility to approve the project and serve as the CEQA lead agency. In this case, MPRPD is the CEQA lead agency. If an individual restoration project would not result in new significant effects not considered in the PEIR and would not require additional mitigation measures, then no additional CEQA document is required. If an individual restoration project would have impacts that were not fully described in the PEIR or new impacts not examined in the PEIR, the CEQA lead agency would need to prepare an initial study to determine the appropriate additional environmental review document.

MPRPD considered the CEQA Analysis of the Rancho Cañada Floodplain Restoration Project, dated February 10, 2022 (CEQA Analysis) (Exhibit 4), which determined that the Project meets the Order's definition of a restoration project and is consistent with the activities considered in the PEIR. The CEQA Analysis evaluated Project and site specific characteristics and concluded that the Project activities are consistent with the PEIR's environmental and regulatory setting. The analysis also concluded that the Project would not result in new significant impacts that were not covered in the PEIR nor would it require additional mitigation measures. The Central Coast Regional Water Quality Control Board has permitted the Project under the Order.

The CEQA Analysis determined that the Rancho Cañada Floodplain Restoration Project would have impacts that are less than significant when mitigated in the categories of Aesthetics, Air Quality and Greenhouse Gas Emissions, Cultural Resources, Hazards and Hazardous Materials, Geology and Soils, Noise, Recreation, Transportation, Tribal Cultural Resources, and Wildfire. In addition, the analysis determined that two of the significant, unavoidable Air Quality impacts identified in the PEIR would apply to the Project. These impacts are summarized below and assessed in detail in the PEIR (Exhibit 3) and the CEQA Analysis. Based on the CEQA Analysis, on April 5, 2023, MPRPD determined that the Rancho Cañada Floodplain Restoration Project will not result in any new significant effects nor require additional mitigation measures beyond what is included in the PEIR. Therefore, MPRPD determined no further CEQA documentation was required.

1. Findings for Significant Effects that can be Mitigated to Less-Than-Significant Levels

The majority of the potentially significant effects identified in the PEIR that are applicable to the Project can be mitigated and reduced to less-than-significant levels. All of the identified impacts of the Project are temporary and result from the construction activities. Potentially significant effects that can be reduced to less than significant were identified in the areas of Aesthetics, Air Quality and Greenhouse Gas Emissions, Cultural Resources, Geology and Soils, Hazards and

Hazardous Materials, Noise, Recreation, Transportation, Tribal Cultural Resources, and Wildfire. Each of these areas and associated mitigation is summarized below.

Aesthetics - Temporary impacts to the visual quality of the area and nearby scenic vistas could occur as a result of construction activities, but these will not be permanent and therefore are not significant. In addition, glare from lights could result in potentially significant impacts to aesthetics if night work is required and the new bridge over the Carmel River could have a visual impact even though there are other existing bridges. Mitigation measures include using earth tones and screening vegetation to reduce visual impacts, and directing and shielding lights used at night.

Air Quality and Greenhouse Gas Emissions – Construction activities could result in emissions of air quality pollutants that significantly impact sensitive receptors. In addition, construction activities will release greenhouse gases emissions. Air Quality mitigation measures include a number of best management practices to reduce pollutant and greenhouse gas emissions such as using electric and low-emission equipment when possible, dust management, limiting truck idling, and using low CO2 concrete. With these mitigation measures, these impacts will be less than significant.

Cultural Resources – Ground disturbance activities, such as earthmoving, could uncover previously unidentified cultural resources or human remains. To avoid a significant impact to cultural resources, the mitigation measures outline the protocols to follow if cultural resources or human remains are discovered including steps to assess and document the cultural resource, required qualifications of archaeologists involved in the protocol, and process for notifying the appropriate tribal parties if human remains are uncovered.

Geology and Soils – The seismic and soil conditions of the project site could result in an impact to people or structures if not accounted for in the construction of the pedestrian bridge. In addition, earthmoving activities could result in the loss of a unique paleontological resource or geological resource. Mitigation measures for these potential impacts include undertaking a geotechnical report of the bridge location and incorporating appropriate measures to address the findings into the bridge design, ensuring bridge design meets current building code standards, and conducting a desktop search on whether the project site would be located in a paleontological sensitive unit. If the project area is found to be in a paleontological sensitive unit, a paleontological resource monitoring and recovery plan will be developed and implemented and construction workers will receive paleontological resource sensitivity training.

Hazards and Hazardous Materials –Ground disturbance activities during construction could lead to the release of previously unidentified contaminated soil or groundwater which is a potentially significant effect. Mitigation measures to reduce these potential impacts include developing a health and safety plan with BMPs to minimize the release of contaminated materials and the protocols to follow if contaminated materials are found including which agencies to notify. To avoid significant impacts to emergency response services, mitigation measures require coordinating with emergency responders prior to the start of construction.

Noise – The use of haul trucks and heavy equipment could result in exceedance of noise standards or exposure of sensitive receptors to excessive noise levels or ground vibrations. Mitigation measures for these potentially significant impacts include best management practices for reducing noise levels including locating equipment away from sensitive receptors, maintaining equipment including mufflers, minimizing idling of vehicles, and using sound barriers.

Recreation – Construction of the Project could generate noise that would impair the use of nearby park facilities. However, these impacts would be temporary and would be mitigated to a less than significant level by the required Noise mitigation measures.

Transportation – The import and export of materials, equipment and workers to the project site has the potential to increase congestion on nearby roads, particularly on Carmel Valley Road. Project construction will also disrupt use of some park trails that could be used as a transportation route. To reduce the potential impacts of the construction traffic and activities, the mitigation measures include developing a traffic management plan identifying appropriate best practices to limit the impacts of construction traffic, minimizing the closure of trails, limiting idling time for commercial vehicles, and repairing any damage to sidewalks or roadways that result from the project.

Tribal Cultural Resources – The proposed project could have an adverse impact on tribal cultural resources. As a result of consultation with area tribes, the plant palette for the Project was revised as requested by one of the tribes. To mitigate unexpected impacts, mitigation measures outline the protocols to follow if any previously unidentified tribal cultural resources. These protocols combined with the Cultural Resource mitigation measures will reduce the potential impacts to tribal cultural resources to less than significant.

Wildfire – The Project is located in a high fire severity risk zone and construction activities could exacerbate the fire risk or post-fire erosion risk. To mitigate these potential impacts, a project-specific fire prevention plan will be developed. The draft plan will be shared with Calfire and the applicable County fire agency prior to the start of construction.

Conservancy staff have independently reviewed the PEIR and CEQA Analysis and concurs that there is no substantial evidence that the proposed project will have impacts beyond what is considered in the PEIR. Staff recommends the Conservancy find that there is substantial evidence that the applicable mitigation measures from the PEIR identified in the CEQA Analysis for Aesthetics, Cultural Resources, Geology and Soils, Hazards and Hazardous Materials, Noise, Recreation, Transportation, Tribal Cultural Resources, Wildfire, avoid, reduce, or mitigate significant environmental effects of the project to a less-than-significant levels. In addition, the mitigation measures will avoid, reduce, or mitigate some, but not all, of the Air Quality and Greenhouse Gas Emission significant environmental effects of the project to a less-than-significant levels.

2. Findings for Potentially Significant and Unavoidable Effects

MPRPD's CEQA Analysis identifies potentially significant and unavoidable Air Quality effects from construction of the Project. Implementing the restoration projects permitted under the

Order could conflict with an applicable air quality plan. In addition, emissions from the Project could result in a cumulatively considerable net increase of any criteria pollutant for which the project region is non-attainment under an applicable federal or state ambient air quality standard. Construction of the project would generate temporary air pollutant emissions from construction vehicles. As a result, proposed project activities could temporarily exceed established air quality standard; contribute substantially to an air quality violation; and/or result in a short-term cumulatively considerable net increase in pollutants for which the region is non-attainment. Implementation of appropriate General Protection Measures and air quality mitigation measures identified in the section above would reduce this impact. Even with these however, the project's potential to generate emissions of criteria air pollutants and precursors during treatment activities that could conflict with Air Quality Management Plan would remain potentially significant and unavoidable, because, as stated in the PEIR, the amount of emission reduction as a result of implementing the mitigation measures cannot be determined due to various variables assessed in the PEIR.

3. Statement of Overriding Considerations

In the event a project has unavoidable significant potential effects, the CEQA Guidelines require the decision-making agency to balance, as applicable, the economic, legal, social, technological, or other benefits of a proposed project against its unavoidable environmental risks when determining whether to approve the project (Title 14 California Code of Regulations Section 15093). If the specific project benefits outweigh the unavoidable adverse environmental effects of the project, a Statement of Overriding Considerations may be adopted and the project approved, despite its adverse environmental effects. The overall environmental benefits of the Project, as detailed in Exhibits 2 and 4, warrant the Conservancy's decision to approve the Project even though some of the environmental effects of the Project may result in significant and unavoidable effects. The Project's public benefits that justify proceeding with the Project despite the environmental cost of the unavoidable significant effects include:

- The Project will restore floodplain habitat and riverine ecological functions and processes. A wide variety of California laws, mandates, plans, mitigation requirements, and initiatives—many of which are the result of decades-long collaboration and reports based on scientific research—call for the restoration of aquatic, riparian, and floodplain habitats.
- The Project will improve habitat for the central coast steelhead population as well as other fish, amphibians, and wildlife.
- The Project will reduce the potential for flooding of communities along the lower Carmel River.
- The Project will provide public access and recreation in the context of a restored floodplain and river channel. .

For these reasons, Conservancy staff recommends that the Conservancy find that the Project, as mitigated, avoids or reduces to less than significant all potentially significant environmental

effects, except for the unavoidable significant impacts to Air Quality. With respect to these potential unavoidable effects, Conservancy staff recommends that the Conservancy find that the environmental and social benefits of the project outweigh the unavoidable environmental effects, thereby warranting its approval.

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