

COASTAL CONSERVANCY

Staff Recommendation
June 1, 2023

BLACK LAKE ECOLOGICAL AREA HABITAT RESTORATION

Project No. 21-049-01
Project Manager: Hilary Hill

RECOMMENDED ACTION: Authorization to disburse up to \$1,261,472, including \$696,600 in Conservancy funds and \$564,872 awarded to the Conservancy by the U.S. Fish and Wildlife Service National Coastal Wetlands Conservation Program, to the Land Conservancy of San Luis Obispo County to restore approximately 45 acres of coastal wetland and dune scrub habitat at the Black Lake Ecological Area in San Luis Obispo County.

LOCATION: Black Lake Ecological Area, Guadalupe Nipomo Dunes Complex, San Luis Obispo County

EXHIBITS

- Exhibit 1: [Project Location Map](#)
Exhibit 2: [Site Plan and Photos](#)
Exhibit 3: [Project Letters](#)
-

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 \$1,261,472, including \$696,600 in Conservancy funds and \$564,872 awarded to the Conservancy by the U.S. Fish and Wildlife Service National Coastal Wetlands Conservation Program, to the Land Conservancy of San Luis Obispo County (“the grantee”) to restore approximately 45 acres of coastal wetland and dune scrub habitat at the Black Lake Ecological Area in San Luis Obispo 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.
4. Evidence that all permits and approvals required to implement the project have been obtained.
5. Evidence that the grantee has entered into agreements sufficient to enable the grantee to implement, operate, and maintain the project.
6. Prior to commencing the project, and as appropriate, the nonprofit grantee shall enter into and record an agreement pursuant to Public Resources Code 31116(d) sufficient to protect the public interest in the improvements.

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 resources protection.
2. The proposed project is consistent with the current Conservancy Project Selection Criteria.
3. The Land Conservancy of San Luis Obispo County is a nonprofit organization organized under section 501(c)(3) of the U.S. Internal Revenue Code.

STAFF RECOMMENDATION

PROJECT SUMMARY:

Staff recommends the Conservancy authorize a \$1,261,472 grant, of which \$564,872 was awarded to the Conservancy by the U.S. Fish and Wildlife Service through its National Coastal Wetlands Conservation Program, to the Land Conservancy of San Luis Obispo County (“the Land Conservancy”) to restore approximately 45 acres at Black Lake Ecological Area in San Luis Obispo County. The project will restore several different habitat types that function collectively as a dynamic coastal dune ecosystem, which will benefit wildlife and aid in the recovery of sensitive, endemic, and federal- and state-listed species.

Black Lake Ecological Area is one of the most important conservation areas within the Guadalupe Nipomo Dunes Complex (which is one of the largest intact coastal dune ecosystems in California, stretching 18 miles along the coastline south of Pismo Beach). Black Lake Ecological Area includes the 7-acre Black Lake, one of the few remaining freshwater coastal dune lakes that has perennial water, and which provides important breeding and watering sites for many vertebrate species. Wetland and upland dune habitats within the Black Lake Ecological Area are in urgent need of restoration. Due to the compounding effects of increased sedimentation, increased regional groundwater pumping, and decreased subsurface recharge, Black Lake has filled in with sediment and vegetation along its eastern shore, reducing open water habitat. Simultaneously in the upland areas, several invasive plant species, such as veldt

grass, are causing a conversion of coastal dune scrub habitats to non-native monocultures which are prematurely stabilizing this once dynamic and active dune system.

To address these conditions, the proposed project will remove built-up sediments and overgrown vegetation, including bulrush and cattail, within Black Lake and surrounding wetland areas to restore these habitats. Sandy banks and logs will be provided to create basking zones for western pond turtles and general wildlife access to the lake. In addition, two endangered plant species which once occurred on site but have become extirpated, marsh sandwort and La Graciosa thistle, will be planted within the restored area surrounding Black Lake in coordination with the U.S. Fish and Wildlife Service.

The proposed project will also restore approximately 13 acres of coastal dune scrub habitat, benefiting listed and sensitive species such as the endangered Nipomo lupine, legless lizard, coast horned lizard, and monarch butterfly. A ring of eucalyptus trees at Black Lake Ecological Area creates a physical barrier that prevents coastal dune scrub migration. The project will remove approximately one acre of eucalyptus trees along the southeastern portion of the ring to allow coastal dune scrub to migrate and reestablish habitat connectivity. Restoration activities will also include removing invasive species such as veldt grass and sowing native coastal dune scrub species seed over the 13 acres. The coastal dune plants will serve as nectar sources for monarch butterflies that overwinter in the northwest portion of the eucalyptus ring. These enhancements will be overseen by experts at California Polytechnic University, San Luis Obispo and Monarch Alert.

A large portion of the Guadalupe Nipomo Dunes coastal wetlands are privately owned and do not allow public access. The Land Conservancy of San Luis Obispo is able to provide guided public access to Black Lake Ecological Area (non-guided public access is prohibited due to restrictions on the property). As part of the project, a total of four docent-led hikes and four volunteer events will be held to allow public access on-site to Black Lake Ecological Area. The Guadalupe Nipomo Dunes Center will assist with conducting special outreach to the surrounding communities of Nipomo, Oceano, and Arroyo Grande for the hikes. These hikes will educate participants on the importance of coastal wetlands as habitat for wildlife and their cultural significance. Volunteer events will include invasive species removal with the California Native Plant Society and a bioblitz event with the California Central Coast Wildlife Society to provide an updated inventory of flora and fauna at Black Lake Ecological Area.

Site Description: Black Lake Ecological Area is a 160-acre coastal property located near the community of Nipomo in southern San Luis Obispo County and owned and managed by the Land Conservancy of San Luis Obispo County. It is part of the Guadalupe Nipomo Dunes Complex, a 22,000-acre coastal dune ecosystem that stretches 18 miles along the coastline south of Pismo Beach and is one of the largest coastal dune ecosystems in California. The Land Conservancy of San Luis Obispo County purchased the property from The Nature Conservancy with the specific intent of preserving and protecting the unique set of habitats found within the Guadalupe Nipomo Dunes. Black Lake Ecological Area is one of six Dune Protected Areas protected by the Dunes Collaborative, a partnership between federal, state, private, and non-profit organizations committed to restoring the entire Guadalupe-Nipomo Dunes Complex.

The proposed project is located on 45 acres on the eastern half of the Black Lake Ecological Area property, which includes Black Lake and upland habitats. Black Lake is a seven-acre perennial, freshwater terminal lake which is part of Dune Lakes, a system of eleven coastal dune freshwater ponds. This system is different from most California ponds in that it is landlocked by sand dunes less than two miles from the Pacific Ocean. Black Lake is fed by flows from the lush Black Lake Canyon drainage system, provides important breeding and watering sites for many vertebrate species, and is one of the few migratory corridors that connects the Guadalupe Nipomo Dunes Complex with other adjacent wildlands.

Black Lake Ecological Area is home to intact coastal freshwater marsh habitat, as well as other rare habitats such as active coastal dunes, central foredunes, central dune scrub, and Central Coast arroyo willow riparian communities. The property provides habitat for 15 special status species including California red-legged frog, western pond turtle, coast horned lizard, marsh sandwort, La Graciosa thistle, Nipomo lupine, and overwintering monarch butterflies. Southeast of Black Lake is a circle of eucalyptus trees that was formerly an agricultural field, although no infrastructure exists today. The northwest portion of the eucalyptus ring supports a large western monarch overwintering population. Monarchs utilize the surrounding coastal dune scrub for nectar sources to sustain their spring migration.

The Black Lake Ecological Area property is land-locked by private landowners. An access agreement with the neighboring property allows the Land Conservancy access and guided public access to the property. An adjacent parcel, privately owned by Dunes Lake Limited, will be utilized for construction access and sediment disposal during implementation of the proposed project. Dune Lakes Limited has agreed to collaborate on the project and a signed agreement is pending.

Grant Applicant Qualifications: The Land Conservancy of San Luis Obispo County has over 35 years of experience successfully implementing wetland and upland habitat enhancement projects on the California Central Coast. The Land Conservancy's stewardship staff oversaw the project management and implementation of 16 grants in 2022, all for habitat enhancement projects in San Luis Obispo County. The Land Conservancy is also responsible for stewardship and habitat restoration on several properties they own. The Land Conservancy holds a California Department of Pesticide Regulation, Pest Control Business License with several licensed applicators on staff to efficiently implement invasive species control. The Land Conservancy is fully equipped to implement this project and provide the necessary project management and oversight, as they are experienced with project management, environmental permitting, and subcontract awards.

The Land Conservancy will maintain the project's restoration benefits as part of the long-term management goals set in its Strategic Plan and the Dune Protected Areas Work Plan (2018). Periodic management actions, such as invasive species management, will be necessary to preserve the ecosystem services provided through this project and the Land Conservancy is prepared to take on the long-term maintenance of this site through periodic vegetation management and long-term restoration planning.

Black Lake Ecological Area is designated as a Dune Protected Area and a restoration endowment provides funding for long-term management and maintenance. Endowment

returns will fluctuate year to year, but approximately \$40,000 is expected to be available annually to maintain and manage restoration projects at Black Lake Ecological Area. Based on similar projects the Land Conservancy has implemented regionally, this funding will be sufficient to maintain the habitat improvements created through the proposed project.

CONSISTENCY WITH CONSERVANCY'S PROJECT SELECTION CRITERIA:

The proposed 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.

Providing funds to restore Black Lake Ecological Area is a good investment of state resources because it will restore native habitat for wildlife, including sensitive, endemic, and federal- and state-listed species as described above. Black Lake Ecological Area is within one of the most important conservation areas in the Guadalupe Nipomo Dunes Complex, and is designated as a Dunes Protected Area by the Dunes Collaborative. The project leverages significant collaborative support and non-state resources, including federal funding from the U.S. Fish and Wildlife Service and in-kind support from local organizations including the Land Conservancy of San Luis Obispo County, the local chapter of California Native Plant Society, and the California Central Coast Wildlife Society.

3. 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.

In response to consultation letters sent to local tribes by the Conservancy and U.S. Fish and Wildlife Service, one tribe responded and their requests will be incorporated into the proposed project. Another tribe, which did not respond to the consultation request, took a tour of the project site and communicated they are supportive of the proposed project and had no concerns.

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

The proposed project will reverse the current trajectory of declining habitat at Black Lake Ecological Area to provide important wildlife and rare species habitat for decades to come. Without implementation of the proposed restoration efforts, conditions at the site will continue to decline. Removal of sediment and dry vegetation along the eastern portion of Black Lake will restore open water habitat to a depth that reduces the threat of regrowth of bulrush and tule, while providing space for a diverse assemblage of native wetland plants to thrive. Periodic, long-term management, such as invasive species management, is expected to be

required and the Land Conservancy of San Luis Obispo County is prepared to take on the long-term maintenance of this site.

The proposed project will increase Black Lake Ecological Area’s resiliency to climate change by sustaining its diverse array of native habitats, including wetland and freshwater resources; providing important safe havens for wildlife as surrounding conditions become less predictable; removing invasive species threats; and increasing connectivity in the landscape. The Guadalupe Nipomo Dunes Complex is an important migratory pathway, connecting several southern migration corridors to the Santa Lucia Mountains, and its connectivity is important to strengthening adaptability to rapid and severe changes in climate.

5. Project delivers multiple benefits and significant positive impact.

This project will deliver a significant positive impact by restoring rare and essential coastal habitats at Black Lake Ecological Area while also providing connectivity along an important wildlife corridor within the Guadalupe Nipomo Dunes Complex.

During construction, the Land Conservancy will employ the California Conservation Corps to assist with habitat improvements, plantings, site preparation, vegetation management, and native seed sowing, offering Conservation Corps members a unique chance to work on all aspects of habitat restoration and collaborate with partner organizations to gain important professional skills and connections.

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

The proposed project’s design is the result of a collaborative effort of local experts and community members. The Land Conservancy of San Luis Obispo County worked with the Ventura Office of the U.S. Fish and Wildlife Service to develop the project idea to address the urgent need to protect wetland resources and create rare species habitat in this area. The local California Native Plant Society chapter and California Central Coast Wildlife Society provided additional input on the project components and agreed to assist on the project.

PROJECT FINANCING

Coastal Conservancy	\$696,600
U.S. Fish and Wildlife Service (<i>via</i> a National Coastal Wetlands Conservation Program grant to the Conservancy)	\$584,909
Dunes Collaborative	\$157,103
CA Department of Fish and Wildlife (Office of Spill Prevention and Response)	\$94,758
Private Donation	\$40,000
U.S. Fish and Wildlife Service (Coastal Program)	\$2,500
California Central Coast Wildlife Society	\$2,000
California Native Plant Society, San Luis Obispo Chapter	\$500

Project Total

\$1,578,370

There are two anticipated sources of Conservancy funds for this project. The first is an appropriation from the Habitat Conservation Fund, which was created by the California Wildlife Protection Act of 1990 (Proposition 117, Fish and Game Code Sections 2780-2799.6). Pursuant to Fish and Game Code Section 2786(d), Habitat Conservation Funds may be used for the acquisition, restoration, or enhancement of wetlands. The proposed project will enhance and restore approximately 17 acres of wetlands at Black Lake Ecological Area.

The second source of Conservancy funding is anticipated to come from a Fiscal Year 2022/23 appropriation from the General Fund to the Conservancy for the purpose of climate resilience (The Budget Act of 2022, SB 154). These funds are available as described in Section 52 of Chapter 258 of the Statutes of 2021 (SB 155, 2021), which sets forth a detailed description of the purposes of the climate resilience funds. Consistent with Section 52(a)(4), the proposed project is a coastal wetland project and includes restoration of coastal habitat and uplands.

The Conservancy was awarded a U.S. Fish and Wildlife Service National Coastal Wetland Conservation grant of \$584,909 to implement the project. The Conservancy will retain \$20,037 to fund the Conservancy's administrative services and pass the balance to the Land Conservancy.

In addition to the above cash contributions, in-kind services provided by the Land Conservancy, the California Native Plant Society, and the California Central Coast Wildlife Society are estimated to be valued at \$15,120.

Unless specifically identified as "Required Match," the other sources of funding and in-kind contributions described above are estimates. The Conservancy does not typically require matching funds or in-kind services, nor does it require documentation of expenditures from other funders or of in-kind services. Typical grant conditions require grantees to provide any funds needed to complete a project.

CONSISTENCY WITH CONSERVANCY'S ENABLING LEGISLATION:

Conservancy funding for the proposed project is consistent with Chapter 5.5, Integrated Coastal and Marine Resources Protection (Section 31220) of the Conservancy's enabling legislation, Division 21 of the Public Resources Code. Section 31220(a) authorizes the Conservancy to undertake or award grants for coastal watershed projects that meet one or more criteria listed in Section 31220(b). Consistent with Section 31220(b)(2), the project will protect fish and wildlife habitat within a coastal watershed by restoring 45 acres of habitat at Black Lake Ecological Area within the coastal Black Lake Canyon watershed.

As required by Section 31220(a), staff has consulted with the State Water Resources Control Board for consistency with Public Resources Code Division 20.4, Chapter 3 (the Clean Beaches Program). Pursuant to Section 31220(c), the project is consistent with local watershed management plans and water quality control plans adopted by the State Water Resources Control Board and Regional Water Quality Control Boards (see the "Consistency with Local

Watershed Management Plan/State Water Quality Control Plan” section below) and includes a monitoring and evaluation component.

CONSISTENCY WITH CONSERVANCY’S [2023-2027 STRATEGIC PLAN](#) GOAL(S) & OBJECTIVE(S):

Consistent with **Goal 3.2 Restore or Enhance Habitats**, the proposed project will restore 45 acres of coastal wetland and dune habitat.

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

Projects undertaken pursuant to Chapter 5.5 of Public Resources Code Division 21 (Section 31220) must be consistent with local watershed management plans, if available, and with water quality control plans adopted by the state and regional water boards. The project is consistent with the 2019 San Luis Obispo County Integrated Regional Water Management Plan’s Ecosystem and Watershed Goals, including: Objective 2 to maintain the balance of ecosystem functions at Black Lake Ecological Area; Objective 5 to protect endangered species through habitat restoration; and Objective 6 to reduce the impact of invasive species through removal to promote healthy ecosystems. The project is consistent with the Water Quality Control Plan for the Central Coast Basin (2019), and specifically helps meet the following beneficial use objectives for Black Lake: wildlife habitat, freshwater habitat, and rare, threatened, or endangered species.

CEQA COMPLIANCE:

On April 4, 2023, the Director of the California Department of Fish and Wildlife concurred with the County of San Luis Obispo that the proposed project is statutorily exempt from the California Environmental Quality Act (CEQA) under Public Resources Code Section 21080.56. This section, an outcome of the Cutting Green Tape initiative, exempts from CEQA projects that conserve, restore, protect, or enhance, and assist in the recovery of, California native fish and wildlife and the habitat upon which they depend.

Consistent with this exemption, the proposed project will enhance the recovery of native wildlife habitat at Black Lake Ecological Area. Open water habitat within Black Lake will be expanded through the removal of sediment and wetland vegetation, providing habitat for a diversity of California native waterfowl, migrating species, and plant species. The project will directly aid in the recovery of two endangered plant species, marsh sandwort and La Graciosa thistle, and provide restored habitat for an additional 13 special status species. Enhancements to the coastal dune scrub habitat will provide early and late season nectar sources for overwintering Monarch butterflies found on the property.

In order to qualify for this exemption, projects must also promote climate resiliency, biodiversity, and sensitive species recovery and include procedures for ongoing management for the protection of the environment. Public Resources Code Section 21080.56(c). As

explained above, the project will promote biodiversity and sensitive species recovery through restoration and enhancement of Black Lake Ecological Area's coastal dune and wetland ecosystem for a diversity of species. The project will improve climate resiliency by providing restored and enhanced native habitats that provide the necessary resources, refugia, and corridors for native species to adapt to a changing climate. The proposed project includes procedures for protection of the environment, such as protections for rare and sensitive species and sediment and erosion control. The project will include ongoing monitoring for adaptive management and invasive species management.

The proposed project's docent-led public access hikes and events are categorically exempt from CEQA under 14 California Code of Regulations (CCR) Section 15301 (Existing Facilities) because they involve regular operation of coastal locations with no expansion of use.

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