

**STATE WATER RESOURCES CONTROL BOARD  
BOARD MEETING SESSION – DIVISION OF FINANCIAL ASSISTANCE  
JANUARY 15, 2008**

**ITEM 5**

**SUBJECT**

CONSIDERATION OF A RESOLUTION APPROVING A PROPOSITION 50 SANTA MONICA BAY RESTORATION GRANT FOR THE ACQUISITION OF PROPERTY IN CORRAL CANYON

**DISCUSSION**

The Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002, (Proposition 50) was approved by California voters in November 2002. (Stats. 2003, ch. 493.) Water Code section 79543 provides funds for implementation of priority actions specified in the Santa Monica Bay Restoration Plan (Plan). This Plan was adopted by the Bay Watershed Council in 2002. The Santa Monica Bay Restoration Commission (Commission) is responsible for assisting in the development, selection, and oversight of projects in the Santa Monica Bay watershed funded by Proposition 50. Public agencies and non-profit organizations are eligible for these grant funds.

The proposed project would provide funds to the Mountains Recreation and Conservation Authority (MRCA) to purchase the 650-acre Corral Canyon property in Malibu for the purposes of habitat preservation, restoration, enhancement, public access, and runoff pollution prevention for the restoration and protection of coastal water quality (Project).

The Project will allow the MRCA to restore, enhance, and protect riparian areas within the acquisition area and implement projects to reduce runoff pollution such as excess sediment loading due to recent fires, and control and remove invasive species. The MRCA's restoration efforts will focus on exotic perennial removal and riparian vegetation enhancement not reliant on irrigation (willow and cottonwood cuttings, planting acorns and walnuts, and transplanting clumps of perennial grasses and other monocots found in and around the edges of riparian corridors), and continual weeding. MRCA hopes to make the main riparian corridor and its branch of upstream tributaries free of all perennial non-native vegetation. Planting native vegetation and removing non-natives will stabilize soils and help prevent excess sediment loads from entering Corral Creek due to the recent fires. Water quality and vegetation monitoring will be performed. A monitoring and reporting plan that meets the requirements of Water Code section 79148.8 will be submitted as part of the Project.

The Trust for Public Land (TPL) holds an option to purchase the property at below market value,<sup>1</sup> but that option requires that the acquisition be completed by the end of calendar year 2007. TPL will acquire all 650-acres of the property from the current owners before the end of 2007 for \$12.6 million. TPL will convey approximately half of the property to MRCA prior to the end of 2007. The transaction will be financed through a combination of previously awarded grant funds and seller financing. In the first quarter of calendar year 2008, TPL will convey the remaining acreage to the MRCA when the remaining public funds (including \$500,000 from this grant) are secured. Finally, the current owners will donate approximately 21-acres to the MRCA which will complete the 650-acre Rancho Corral Project.

The Commission is authorized to recommend projects to the State Water Resources Control Board (State Water Board) that will help achieve the highest priorities in the Plan. In addition to meeting one

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<sup>1</sup> A July 2007 commercial appraisal of the property valued the Rancho Corral property at approximately \$20,000,000.

or more of the priorities specified in the Plan, all projects receiving grants pursuant to Water Code section 79543 must meet the requirements of the Coastal Nonpoint Source Control Program (Wat. Code, § 79148 et seq.).

In 2004, Commission staff initiated the initial selection and funding process, including the establishment of an action schedule, and the release of the Request for Proposals. The deadline for submitting proposals was January 31, 2005. During February and March 2005 Commission staff members and other reviewers evaluated the proposals. At the completion of the review period, Commission staff compiled the Competitive Project List (CPL). The CPL was submitted and approved by the Commission's Governing Board at its April 14, 2005 meeting.

The State Water Board adopted the Proposition 50 Santa Monica Bay Restoration Grant Program Competitive Project List (renamed the Recommended Project List) on June 16, 2005 ([Resolution No. 2005-0042](#)). Commission staff worked with applicants to develop work plans and grant agreements. A total of fifteen grants are currently active. Because some projects that were originally approved by the Commission and the State Water Board have since withdrawn, the Commission currently has \$500,060 in unencumbered Proposition 50 funds remaining.

At its December 13, 2007 meeting, the Commission's Governing Board adopted Resolution 07-11 approving the Project and directing staff to submit the Project to the State Water Board for approval. Because the Project was not on the original Recommended Projects List, this Project must be approved by the State Water Board prior to a grant agreement being executed.

## **FISCAL IMPACT**

The Budgets of 2005/2006 and 2007/2008 appropriated \$300,000 and \$200,060, respectively to the State Water Board for grants to implement priority actions in the Santa Monica Bay Restoration Plan. The staff required to administer Santa Monica Bay Restoration Grants are funded by a five-percent allowance from Proposition 50. Staffing levels approved for the Commission and the Division of Financial Assistance (Division) will be sufficient to review and process the grant.

## **ENVIRONMENTAL IMPACT**

The State Water Board is the lead agency under the California Environmental Quality Act (CEQA) for the Project. Division staff has determined that the Project is categorically exempt from CEQA pursuant to California Code of Regulations, title 14, sections 15313 and 15325. Section 15313 exempts the acquisition of land for fish and wildlife conservation purposes and for preserving access to public lands and waters where the purpose of the acquisition is to preserve the land in its natural condition. The Project is similarly exempt pursuant to section 15325, because it involves a transfer of ownership in order to preserve existing natural conditions and open space. Division staff filed a Notice of Exemption with the Governor's Office of Planning and Research, State Clearinghouse on December 13, 2007.

## **REGIONAL WATER BOARD IMPACT**

Yes, Los Angeles Regional Water Board.

## **POLICY ISSUE**

Should the State Water Board:

1. Approve a Santa Monica Bay Restoration Grant Commitment of \$500,000 for the Mountains Recreation and Conservation Authority's proposed project?

2. Authorize the Deputy Director of the Division of Financial Assistance to issue the Grant Agreement and any amendments to implement the Project?

**STAFF RECOMMENDATION**

That the State Water Board:

1. Approve a Santa Monica Bay Restoration Grant Commitment of \$500,000 for the Mountains Recreation and Conservation Authority's proposed project.
2. Authorize the Deputy Director of the Division to issue the Grant Agreement and any amendments to implement the Project.

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## STATE WATER RESOURCES CONTROL BOARD RESOLUTION NO. 2008 -

### APPROVAL OF A PROPOSITION 50 SANTA MONICA BAY RESTORATION GRANT FOR THE ACQUISITION OF PROPERTY IN CORRAL CANYON (PROJECT)

#### WHEREAS:

1. The Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002 (Proposition 50) designated funds specifically for implementation of priority actions in the Santa Monica Bay Restoration Plan (Plan);
2. The Budgets of 2005/2006 and 2007/2008 appropriated \$300,000 and \$200,060, respectively from Proposition 50 to the State Water Resources Control Board (State Water Board) to implement priority actions in the Plan;
3. The Santa Monica Bay Restoration Commission is established as a National Estuary Program per Section 320 of the Federal Water Quality Act of 1987 (PL 100-4) and is committed to the restoration, conservation, cleanup, protection and enhancement of Santa Monica Bay and the wise use of the natural resources within its watersheds;
4. The Santa Monica Bay Restoration Commission has determined project eligibility and grant priorities;
5. The Governing Board of the Santa Monica Bay Restoration Commission approved the project at its December 13, 2007 meeting;
6. State Water Board staff reviewed the Project and determined it is categorically exempt pursuant to California Code of Regulations, title 14, sections 15313 and 15325. Staff filed a Notice of Exemption with the Governor's Office of Planning and Research, State Clearinghouse on December 13, 2007.

#### THEREFORE BE IT RESOLVED THAT:

The State Water Resources Control Board:

1. Approves a Santa Monica Bay Restoration Grant Commitment of \$500,000 for the Mountains Recreation and Conservation Authority's Project.

# **D R A F T**

2. Authorizes the Deputy Director of the Division of Financial Assistance to issue the Grant Agreement and any amendments to implement the Project.

## **CERTIFICATION**

The undersigned, Acting Clerk to the Board, does hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly adopted at a meeting of the State Water Resources Control Board held on January 15, 2008.

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Jeanine Townsend  
Acting Clerk to the Board