

ATTACHMENT 3.1a

BIJOU PARK CREEK RESTORATION PRIORITY ACQUISITIONS

Grant Type: Acquisition

Applicant: City of South Lake Tahoe (City)

Recommended Funding: \$814,102 in Proposition 1 funding and \$552,139 in Proposition 50 funding for a total award of up to \$1,366,241 (Attachment 3.1b).

Location: The Bijou Park Creek Restoration Priority Acquisitions are located in the City in the Lake Tahoe Basin. Three of the recommended acquisition parcels are adjacent to Bill Avenue, and one parcel is between Woodbine Road and Rockwood Road (Attachment 3.1c).

Overview

Description of Recommended Action

Staff recommends the Board authorize a grant to the City for the Bijou Park Creek Restoration Priority Acquisitions. The grant will support the City in acquiring El Dorado County Assessor's Parcel Numbers (APNs) 027-112-26, 027-112-27, 027-113-38, and 025-282-15. Three of the recommended parcels include existing single-family homes, and one parcel is currently undeveloped.

The City applied for a total of \$4,156,091 in Proposition 1 funding for the acquisition and restoration of ten parcels in the watershed. The Proposition 1 External Review Team identified four parcels as the highest priority for resource benefits, per the Conservancy's Proposition 1 Grant Guidelines (Guidelines). Because there is only adequate Proposition 1 funding available to support full acquisition and restoration of three parcels and a portion of the fourth parcel for a total of \$814,102, staff is recommending an additional \$552,139 in Proposition 50 funding to assist the City in acquiring and restoring the fourth parcel.

Consistent with the Guidelines and grant application package, the grant will fund acquisition costs based on the fair market value, typically as confirmed by a Conservancy-approved appraisal. The recommended grant also includes funding for

the cost of relocation of tenants and owners, demolition and removal of all structures and impervious areas, elimination of an existing storm water pipe, and restoration of stream environment zone (SEZ). Restoration of the properties will consist of minor grading and site revegetation to maximize infiltration, enhance soil moisture, and stabilize soils. The City will install boulders and/or fencing along the perimeters of the properties to protect them from vehicle encroachment.

The City wishes to acquire and perform demolition and restoration work on these properties to achieve multiple benefits. By removing and restoring impervious coverage and antiquated infrastructure in SEZ, the City will enhance sensitive habitats, improve water quality, and reduce problematic inundation. In addition, the recommended acquisition grant will complement restoration and water quality work that the City is pursuing in other parts of the watershed.

Staff intends to enter into an acquisition grant agreement with the City in the fall/winter of 2017. The grant agreement requires the City to maintain the property consistent with the funding sources. Consistent with past Board authorizations, a provision in the agreement will provide for the return or reservation of commodities, such as land coverage, residential units of use, or SEZ restoration credit rights, for Conservancy Lank Bank purposes.

History

The Bijou Park Creek Watershed extends from Heavenly Mountain Resort to Lake Tahoe at the Ski Run Marina. As this area was settled, much of the SEZ in the watershed was lost to development, and opportunities to restore SEZ and improve water quality are currently limited.

The recommended acquisition parcels are within a portion of the watershed that once functioned as valuable meadow and riparian habitat. The construction of residential and commercial development directly in the path of the creek, along with filling and paving of SEZ, has significantly affected the natural flow and function of the creek. The ability of the floodplain to provide natural filtration and attenuation of flood flows is impaired, resulting in significant water quality impacts and flooding. The recommended acquisition properties no longer support the vegetation and characteristics of a healthy stream system.

The City is pursuing comprehensive restoration of the Bijou Park Creek watershed. In June 2017, the Board authorized a long-term license agreement on seven Conservancy parcels to assist with implementation of the Bijou Park Creek Watershed Management/Southwest Corner Project. In July 2017, the City and a developer began

constructing this project, which includes demolishing the Knights Inn Hotel and restoring lower sections of Bijou Park Creek. The City is also investigating water quality and ecosystem improvements upstream in the watershed, which may involve daylighting other sections of the creek. The recommended acquisitions and associated restoration work will add to these watershed efforts and result in resource benefits.

Financing

The City expended internal funding to complete appraisals for all parcels identified in the Proposition 1 application. Consistent with the Guidelines, Conservancy grant funds can only pay for the appraised fair market value of property. If the City negotiates a higher value for any of the recommended acquisitions, they would have to use other funds to cover any costs above the appraised amount.

The City was successful in securing State Water Resources Control Board Proposition 1 Storm Water Planning Grant Program funding of \$498,935 for the Bijou Park Creek Restoration Project. This planning grant is assisting the City in exploring opportunities to improve water quality and accomplish additional benefits in portions of the upper watershed.

The National Forest Foundation is awaiting a decision regarding the availability of additional funding from the Southern Nevada Public Land Management Act (SNPLMA) for the Lake Tahoe West Restoration Partnership. Depending on the timing of a decision regarding the availability of SNPLMA funding, the Lake Tahoe West Restoration Partnership may require less Proposition 1 funding than currently recommended in Attachment 1a. If this situation occurs, then staff will direct those Proposition 1 funds to this acquisition grant and reduce the amount of Proposition 50 funding.

Proposed Grant Budget

Staff recommends the grant budget as shown below. The final budget amounts may vary between individual items from those shown, but total expenditures under the grant will not exceed \$1,366,241.

Activity	Amount
Property Acquisition	\$ 1,088,500
Relocation Costs	\$ 61,025
Closing Costs	\$ 8,000
Demolition	\$ 105,000
Restoration	\$ 8,000
Contingency (9 percent)	\$ 95,716
TOTAL	\$ 1,366,241

Proposed Schedule

Upon grant award and agreement completion, the City will move forward with the process of acquiring and restoring the four recommended properties. All proposed acquisitions, demolition, and restoration will be complete before May 2020.

Authority

Consistency with the Conservancy’s Enabling Legislation, Strategic Plan, and Program Guidelines

The recommended action to award grant funding is consistent with the Conservancy’s enabling legislation, the Strategic Plan, and the Guidelines as well as the Erosion Control Grants Program Guidelines. The recommended award is also consistent with Proposition 50 requirements. Acquisitions will be from willing sellers and result in restoration and protection of land and water resources to improve water quality in Lake Tahoe.

Consistency with External Authorities

The recommended action is consistent with the Lake Tahoe Environmental Improvement Program (EIP) because it facilitates the implementation of EIP project #01.01.01.0086 associated with improving storm water quality and restoring a portion of Bijou Park Creek.

Compliance with the California Environmental Quality Act

Pursuant to the California Environmental Quality Act (CEQA) Guidelines (Cal. Code Regs., tit. 14, § 15000 et seq.), certain classes of activities are statutorily exempt from CEQA or are exempt because they have been determined by the Secretary of the

California Natural Resources Agency to have no significant effect on the environment. Pursuant to Public Resources Code sections 21001(f) and 21082, the Conservancy has also adopted regulations to implement, interpret, and make specific, the provisions of CEQA. (See Cal. Code Regs., tit. 14, § 12100 et seq.) Staff has evaluated this project, and has found it to be exempt under CEQA. This project qualifies for a categorical exemption under CEQA Guidelines, sections 15301 (Existing Facilities), 15304 (Minor Alterations to Land), and 15325 (Transfers of Ownership in Land to Preserve Existing Natural Conditions), and the Conservancy's CEQA regulations, sections 12102.4 and 12102.25. Staff has drafted a notice of exemption (NOE) for the acquisitions (Attachment 3.1d). If the Board approves the acquisition grant, staff will file the NOE with the State Clearinghouse pursuant to CEQA Guidelines section 15062.

List of Attachments

Attachment 3.1b – Resolution 17-09-02.1

Attachment 3.1c – Project Map

Attachment 3.1d – Notice of Exemption, Exhibit A

Conservancy Staff Contact

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