

Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: March 22-23, 2023

From: MITCH WEISS, Executive Director

Reference Number: 4.14, Action

Prepared By: Naveen Habib
Associate Deputy Director

Published Date: March 10, 2023

Subject: Approval of the 2022 California Natural Resources Agency's
Environmental Enhancement and Mitigation Program, Resolution G-23-32

Recommendation:

Staff recommends that the California Transportation Commission (Commission) approve the 2022 Environmental Enhancement and Mitigation Program which includes nine projects totaling \$6,689,830 as provided in Attachment B, with the following stipulations:

- The Commission expects that the funds allocated will be expended on a timely basis.
- For land acquisition projects, funding recipients are encouraged to reduce overall project costs by exploring the feasibility of acquiring easements rather than fee title when appropriate.
- Due to the uniqueness of the individual projects in this program, the California Natural Resources Agency must provide on-site inspection and auditing of the projects included in the program.

Issue:

Due to impacts related to the COVID-19 pandemic, several programs administered by the California Natural Resources Agency were postponed for funding. As a result, the 2020 and 2021 Environmental Enhancement and Mitigation Program grant cycles were combined into one program and approved by the Commission on January 27, 2022. Project savings of \$69,754 from the 2019 grant cycle were rolled over and awarded in the combined 2020 and 2021 grant cycle. Therefore, for the combined 2020 and 2021 grant cycle, 18 projects totaling \$12,174,207 were awarded funds, leaving \$1,624,341 to be programmed in the 2022 grant cycle.

The funding available for the 2022 grant cycle is from the following sources: \$6,700,000 from the Budget Act of 2022, and \$1,624,341 from the Budget Act of 2021 to the California Natural Resources Agency.

The California Natural Resources Agency's evaluation team used the Environmental Enhancement and Mitigation Program procedures and criteria to evaluate 14 applications received as part of the 2022 grant cycle. As a result:

- Nine projects totaling \$6,689,830 are recommended for funding in the 2022 grant cycle.
 - 35 percent of the available funding is recommended for three projects in Northern California, totaling \$2,329,330.
 - 65 percent of the available funding is recommended for six projects in Southern California, totaling \$4,360,500.
- Five projects were not recommended as they were deemed insufficient for award because they were ineligible to compete or not competitive. The projects provided no environmental mitigation benefits, no link to the related transportation facility, or a weak connection to the related transportation facility for mitigation and benefits.
 - Two projects in Northern California, totaling \$842,000.
 - Three projects in Southern California, totaling \$1,348,833.

The nine projects recommended for funding have provided the California Natural Resources Agency evidence of California Environmental Quality Act (CEQA) compliance. The CEQA Lead Agencies have determined that all nine projects are Categorical Exemptions under CEQA.

The remaining funding balance of \$1,634,511 was not awarded in this cycle and will be available for award as part of the 2023 grant cycle.

Recommended Project Highlights:

Los Angeles International Airport (LAX) Dunes Habitat Restoration Project (\$500,000) - Los Angeles World Airports will restore 50 acres of El Segundo Blue Butterfly habitat within the LAX Dunes Preserve, a 203-acre wildlife preserve adjacent to the Los Angeles International Airport. The preserve is one of the biggest remaining coastal dune fragments in Southern California and contains the largest existing population of the federally endangered El Segundo Blue Butterfly. The project is a mitigation measure required in the Los Angeles International Airport Master Plan's final Environmental Impact Statement and Environmental Impact Report.

Gilmore Ranch Acquisition Project (\$1,000,000) - The Mountains Recreation and Conservation Authority will acquire, in fee, the 512-acre Gilmore Ranch to protect chaparral, coastal sage scrub, grassland, and riparian woodland habitats. The property will be merged into the adjacent 6,006-acre Temescal Ranch Preserve and will include public trail access. The project provides enhanced mitigation for the impacts of the Golden Valley Road Bridge over the Santa Clara River.

Background:

The Environmental Enhancement and Mitigation (EEM) Program was established by the state Legislature in 1989 to fund environmental enhancement and mitigation projects directly or indirectly related to the environmental impact of modifying new or existing transportation facilities. Pursuant to Streets and Highways Code Section 164.56, seven million dollars (\$7,000,000) is appropriated to the program from the State Highway Account. The Commission awards annual grants to fund projects as recommended by the California Natural Resources Agency.

The California Natural Resources Agency develops and adopts procedures to determine eligibility, evaluate project proposals, recommend projects for funding to the Commission, and manage the grants post award. Any local, state, or federal agency, or nonprofit entity may apply for and receive funding to undertake environmental enhancement and mitigation projects. Eligible projects must fit at least one of the following three categories:

1. **Urban Forestry** - projects designed to offset vehicular emissions of carbon dioxide.
2. **Resource Lands** - projects for acquisition or enhancement of resource lands to mitigate the loss of, or the detriment to, resource lands lying within the right-of-way acquired for proposed transportation improvements.
3. **Mitigation Projects Beyond the Scope of the Lead Agency** - projects to mitigate the impact of proposed transportation facilities or to enhance the environment, where the ability to effectuate the mitigation or enhancement measures is beyond the scope of the lead agency responsible for assessing the environmental impact of the proposed transportation improvement.

Pursuant to Streets and Highways Code Sections 187 and 188, the California Natural Resources Agency tries to award 40 percent of the total funding to projects in northern counties and 60 percent of the total funding to projects in southern counties. The percentages vary slightly each year depending on the applicant pool.

Attachments:

- Attachment A: Resolution G-23-32
- Attachment B: California Natural Resources Agency's Proposed 2022 Environmental Enhancement and Mitigation Program Recommendation

**CALIFORNIA TRANSPORTATION COMMISSION
APPROVAL OF THE 2022 ENVIRONMENTAL ENHANCEMENT AND MITIGATION
PROGRAM**

RESOLUTION G-23-32

- 1.1 **WHEREAS**, Streets and Highways Code Section 164.56 establishes the Environmental Enhancement and Mitigation Program to fund environmental enhancement and mitigation projects directly or indirectly related to the environmental impact of modifying new or existing transportation facilities; and
- 1.2 **WHEREAS**, the California Natural Resources Agency evaluates proposals submitted for this program and provides a list of proposals recommended for funding to the California Transportation Commission (Commission); and
- 1.3 **WHEREAS**, the Commission awards grants to fund proposals as recommended by the California Natural Resources Agency; and
- 1.4 **WHEREAS**, the California Natural Resources Agency has prepared a list of Projects Recommended for Funding (Attachment B) totaling \$6,689,830 for nine projects; and
- 1.5 **WHEREAS**, the funding available is from the following sources: \$6,700,000 from the Budget Act of 2022, and \$1,624,341 from the Budget Act of 2021; and
- 1.6 **WHEREAS**, the remaining funding balance of \$1,634,511 from the 2022 grant cycle will be available for award as part of the 2023 grant cycle; and
- 1.7 **WHEREAS**, all nine projects recommended for funding have provided the California Natural Resources Agency evidence of California Environmental Quality Act (CEQA) compliance; and
- 1.8 **WHEREAS**, the CEQA Lead Agencies have determined that all nine projects are Categorical Exemptions under CEQA.
- 2.1 **NOW, THEREFORE, BE IT RESOLVED**, that the Commission approves the 2022 Environmental Enhancement and Mitigation Program, as indicated in Attachment B; and
- 2.2 **BE IT FURTHER RESOLVED**, that for projects which include land acquisition, the Commission encourages funding recipients to reduce overall project costs by exploring the feasibility of acquiring easements rather than fee title when appropriate; and
- 2.3 **BE IT FURTHER RESOLVED**, that due to the uniqueness of the individual projects in this program, the Commission recommends the California Natural Resources Agency provide on-site inspection and auditing of the projects included in this program.



GAVIN NEWSOM, Governor
WADE CROWFOOT, Secretary for Natural Resources

February 6, 2023

Mitch Weiss
Executive Director
California Transportation Commission
1120 N Street, MS 52
Sacramento, CA 95814

Dear Mr. Weiss:

As provided in Section 164.56 of the Streets and Highways Code, the California Natural Resources Agency (Agency) has evaluated the 2022 Environmental Enhancement and Mitigation (EEM) program grant proposals and provided the attached recommendations. Projects on the Recommended for Funding List meet the statutory requirements and contribute to the mitigation of the environmental effects of transportation facilities.

Agency recommends that the projects on the Recommended for Funding List be authorized to receive immediate funding. These recommendations were determined by a multi-disciplined evaluation team. The list includes 9 projects with a total value of \$6,689,830 which includes \$1,624,341 rolled over from 2021 and \$6,700,000 from the 2022 appropriation. The balance of \$1,634,511 will be available to award as part of the 2023 grant cycle.

If you have any questions about the recommended projects or the process used to evaluate them, please contact Carol Carter, Unit Manager, Bonds and Grants at (916) 902-6364 or by email at carol.carter@resources.ca.gov.

Sincerely,

A handwritten signature in black ink that reads "Wade Crowfoot". The signature is written in a cursive, slightly slanted style.

Wade Crowfoot
Secretary for Natural Resources

Enclosures

715 P Street, 20th Floor, Sacramento, CA 95814 Ph. 916.653.5656 www.resources.ca.gov



ENVIRONMENTAL ENHANCEMENT AND MITIGATION PROGRAM - 2022 GRANT CYCLE

RECOMMENDATION

Approve grants for nine projects totaling \$6,689,830.

BACKGROUND

The Environmental Enhancement and Mitigation Program Fund was established and codified in California Streets and Highways Code Section 164.56 to fund grant projects that contribute to mitigating the environmental impacts of: 1) modifying existing transportation facilities or 2) designing, constructing, or expanding new transportation facilities. The statute directs the California Transportation Commission ("Commission") to award grants from a list of proposals recommended for funding by the California Natural Resources Agency ("Agency"). Grants may be awarded under three categories:

- Urban Forestry: Projects designed to offset vehicular emissions of carbon dioxide.
- Resource Lands: Acquisition or enhancement of resource lands to mitigate the loss of, or the detriment to, resource lands lying within the right-of-way acquired for proposed transportation improvements.
- Mitigation Projects Beyond the Scope of the Lead Agency: Projects to mitigate the impact of proposed transportation facilities or to enhance the environment, where the ability to effectuate the mitigation or enhancement measures is beyond the scope of the lead agency responsible for assessing the environmental impact of the proposed transportation improvement.

Agency develops and adopts procedures for determining eligibility, evaluating proposals, recommending projects for funding, and managing grants post award. Agency's procedures include scoring criteria used to assign point to each project. The most competitive projects (as determined by point scores and other funding considerations) are then visited and vetted by an evaluation team, resulting in a list of projects recommended for funding. Agency attempts to allocate 40 percent of funds to projects in northern counties and 60 percent to projects in southern counties as mandated and defined in sections 187 and 188 of the Streets and Highways Code. The percentages vary slightly each year depending on the applicant pool.

AVAILABLE FUNDING 2022

Funds available to award total \$8,324,341, consisting of \$6,700,000 from the 2022 budget appropriation and \$1,624,341 from the 2021 budget appropriation.

Projects recommended for funding total \$6,689,830. The unawarded balance of \$1,634,511 will be rolled over to the 2023 grant cycle.

CEQA

Notice of Exemptions have been filed for all nine projects recommended for funding.

HIGHLIGHTED PROJECTS

- Los Angeles World Airports will restore 50 acres of El Segundo Blue Butterfly habitat within the LAX Dunes Preserve, a 203-acre wildlife preserve adjacent to Los Angeles International Airport. The preserve is one of the biggest remaining coastal dune fragments in Southern California and contains the largest existing population of the federally endangered El Segundo Blue Butterfly. The project is a mitigation measure required in the LAX Master Plan's final EIS/EIR.
- The Mountains Recreation and Conservation Authority will acquire, in fee, the 512-acre Gilmore Ranch to protect chaparral, coastal sage scrub, grassland, and riparian woodland habitats. The property will be merged into the adjacent 6,006-acre Temescal Ranch Preserve and will include public trail access. The project provides enhanced mitigation for the impacts of the Golden Valley Road Bridge over the Santa Clara River.

**2022 Grant Cycle
Environmental Enhancement and Mitigation Program**

PROJECTS RECOMMENDED FOR FUNDING (9)						
SOUTHERN PROJECTS						
Applicant	Project Title	County	Requested	Recommended	Cumulative	Project Description/Comments
Amigos de los Rios	Monrovia High School Historic Commons Green Space Enhancement Project	Los Angeles	\$ 500,000	\$ 500,000	\$ 500,000	Recommend Full Funding. Project to green the Monrovia High School campus in Monrovia by replacing turf with native landscape bioretention areas, planting drought-tolerant trees and shrubs, and installing permeable surface paths.
Los Angeles Department of Airports	LAX Dunes Habitat Restoration Project	Los Angeles	\$ 500,000	\$ 500,000	\$ 1,000,000	Recommend Full Funding. Project to restore 50 acres of El Segundo Blue Butterfly habitat within the LAX Dunes Preserve, a 203-acre wildlife preserve adjacent to Los Angeles International Airport. The preserve is one of the biggest remaining coastal dune fragments in Southern California and contains the largest existing population of the federally endangered El Segundo Blue Butterfly.
Oswit Land Trust	Santa Rosa Hills Acquisition	Riverside	\$ 1,000,000	\$ 1,000,000	\$ 2,000,000	Recommend Full Funding. Project to acquire in fee 165.33 acres in the San Jacinto Mountains foothills, south of the City of Hemet, to permanently protect Riversidian sage scrub, coastal sage scrub, wetland, and riparian habitats.
City of Dinuba	L Street Pocket Park	Tulare	\$ 360,500	\$ 360,500	\$ 2,360,500	Recommend Full Funding. Project to develop a pocket park between two buildings in downtown Dinuba which will include trees, a rain garden, a bioswale, infiltration system, irrigation, and permeable sidewalk.
Mountains Recreation and Conservation Authority	Gilmour Ranch Acquisition Project	Los Angeles	\$ 1,000,000	\$ 1,000,000	\$ 3,360,500	Recommend Full Funding. Project to acquire in fee the 512-acre Gilmore Ranch to protect chaparral, coastal sage scrub, grassland, and riparian woodland habitats. The property will be merged into the adjacent 6,006-acre Temescal Ranch Preserve.

**2022 Grant Cycle
Environmental Enhancement and Mitigation Program**

The Trust for Public Land	Angeles Linkage Acquisition Project	Los Angeles	\$ 1,000,000	\$ 1,000,000	\$ 4,360,500	Recommend Full Funding. Project to acquire in fee 113 acres of high desert land south of Acton, Los Angeles County to permanently protect riparian and scrub habitats and provide public trail access.
6 SOUTHERN PROJECTS (65% TOTAL FUNDING)			\$ 4,360,500	\$ 4,360,500		
NORTHERN PROJECTS						
Save the Redwoods League	Perry Gulch Navarro Watershed and Redwood Forest Conservation Project	Mendocino	\$ 900,000	\$ 900,000	\$ 5,260,500	Recommend Full Funding. Project to acquire a conservation easement on 1,116 acres of biodiverse redwood/Douglas fir forest in Mendocino County to permanently protect 33 acres of old-growth redwoods, 38 legacy trees, and 2.2 miles of fish-bearing streams.
American River Conservancy	El Dorado Ranch Phase 4 Conservation Project	El Dorado	\$ 1,000,000	\$ 1,000,000	\$ 6,260,500	Recommend Full Funding. Project to acquire in fee 1,025 acres in the upper Cosumnes River watershed in western El Dorado County to protect oak woodland and riparian habitat and provide connectivity between existing protected lands.
Mariposa County	Mariposa Creek Parkway Native Plant Restoration Project	Mariposa	\$ 429,330	\$ 429,330	\$ 6,689,830	Recommend Full Funding. Project to restore a 3-acre riparian corridor in the City of Mariposa by removing invasive plants and planting native drought and fire-resistant trees and understory plants.
3 NORTHERN PROJECTS (35% TOTAL FUNDING)			\$ 2,329,330	\$ 2,329,330		
9 PROJECTS - TOTAL RECOMMENDED					\$ 6,689,830	
TOTAL AVAILABLE*/ROLL OVER TO 2023 CYCLE			\$ 8,324,341	\$ 1,634,511		

**2022 Grant Cycle
Environmental Enhancement and Mitigation Program**

NOT RECOMMENDED FOR FUNDING - NO VISIT			
Applicant	Project Title	County	Requested
City of Fortuna	Vancil Forest Acquisition	Humboldt	\$ 342,000
City of Signal Hill	EEMP Urban Landscape and Water Quality Project	Los Angeles	\$ 500,000
Lakeside's River Park Conservancy	Enhancement of Conserved Land in the San Diego River Lakeside	San Diego	\$ 498,905
NOT RECOMMENDED FOR FUNDING - NO VISIT - INELIGIBLE			
City of Visalia	Caldwell Median Greening	Tulare	\$ 349,928
Monterey-Salinas Transit District	Marina Dunes Restoration	Monterey	\$ 500,000