



**Consideration of California Environmental Quality Act Lead Agency Exemption Declaration and Award of Nature Based Solutions: Wetland Restoration Grant Funds for Land Acquisition on Bethel Island
Staff Report**

This agenda item presents for Board consideration a recommendation to adopt a Board resolution in accordance with the California Environmental Quality Act (CEQA) finding the project categorically exempt from environmental review and a recommendation to award Nature Based Solutions: Wetland Restoration (NBS:WR) Grant funding to the Land Acquisition on Bethel Island.

PROJECT OVERVIEW

Applicant	John Muir Land Trust
Project Number	NBS03
Project Type	Implementation (Acquisition)
County	Contra Costa
Funding Request	\$2,202,091
Total Project Cost	\$8,292,091
Funding Recommendation	\$2,202,091

RECOMMENDATIONS

Staff recommends that the Board adopt Resolution 2023-02 declaring that this project is categorically exempt from environmental review under the California Environmental Quality Act pursuant to California Code of Regulations Title 14, Chapter 3, Article 19 Section 15313, subsections (a) and (c) and the project will not have a significant effect on the environment.

Contingent upon the adoption of Resolution 2023-02, Conservancy staff recommends that the Board approve up to \$2,202,091 of Nature Based Solutions: Wetland Restoration Grant Funding for the Land Acquisition of Hoover Ranch on Bethel Island (NBS03) proposed by John Muir Land Trust (JMLT).

Staff prepared the text below based on staff’s best understanding of the information provided in the application and meetings with staff of JMLT. Staff followed the General Grant Guidelines, approved by the Conservancy Board in November 2022, in working with the applicant and assessing this proposal.

DESCRIPTION

The purpose of this proposed project is to acquire a 600-acre property, Hoover Ranch, on Bethel Island, for permanent environmental protection and stewardship. The property has been primarily a certified organic cattle ranch and chicken farm, with some organic corn fields. The current owner solicited JMLT about purchasing the property because it was their desire to see the property be converted primarily to wetlands and protected for environmental purposes. JMLT is currently under contract with the landowner and plans to convert the property to wetlands after acquisition is complete. To ensure the

acquisition is fully funded, the Conservancy is partnering with the Wildlife Conservation Board, and they have informally committed to cost share (see 'Cost Share' section below).

Acquisition is the first phase of an anticipated multi-phase project to restore wetlands, riparian forest, and sand dunes on the property. Once constructed, the managed wetlands will reverse subsidence and reduce carbon emissions; protect native and special status species; and enhance quality of life for Bethel Island residents, including severely disadvantaged communities on the Island and immediately adjacent to the island, by providing public access to open space.

ENVIRONMENTAL COMPLIANCE

This implementation project is considered a project under CEQA. CEQA categorically exempts certain projects from environmental review, including acquisition of lands for wildlife conservation purposes (California Code of Regulations Title 14, Chapter 3, Article 19, Section 15313, subsections (a) and (c)). The project qualifies for this exemption because the project will acquire the property at Hoover Ranch for the explicit purpose of habitat restoration and provision of wildlife habitat. The Delta Conservancy will act as the CEQA lead agency. Staff have reviewed the project and are advising the Board to determine the project exempt by adopting Resolution 2023-02, which details lead agency findings, and having the Chair sign the attached Notice of Exemption.

COST SHARE

JMLT is applying for cost share funds totaling \$6,090,000 from the Wildlife Conservation Board to fully fund this acquisition. Cost share is equal to 73 percent of the total project cost (\$8,292,090).

CONSISTENCY WITH STATE AND LOCAL PRIORITIES

The Project is consistent with, and links to, multiple actions and priorities outlined in the Conservancy's governing statute, the Conservancy's Strategic Plan, the Delta Plan, and the California Water Resilience Portfolio. Additionally, the project furthers the California Natural Resources Agency's initiatives of building climate resilience, protecting biodiversity, and expanding nature-based solutions.

LONG-TERM VIABILITY

Once acquisition is complete, the project will have permanent environmental protection and stewardship by JMLT, a land trust accredited by Land Trust Alliance. In the future, JMLT plans to restore wetlands and habitat on the parcel, which will be designed to reverse subsidence and reduce risk of flooding. JMLT intends to register the wetlands with the voluntary carbon market, which has a 40-year permanence requirement. A Notice of Unrecorded Grant Agreement will also be recorded against the deed as part of Delta Conservancy's standard policies.

LOCAL AND INSTITUTIONAL SUPPORT

The current owner of the parcel is a willing seller and solicited JMLT's interest in purchasing the property. The current owner desires that the property be restored to wetlands and have permanent environmental protections. JMLT has sent out informational postcards to the residents of Bethel Island, informing them of the intent to restore wetlands in the community. Additionally, JMLT has received a letter of support from the County Board of Supervisors for the project. Given the sensitive nature of acquisitions from private landowners, JMLT has not informed neighboring landowners and community of the active sale contract but plans to seek their support and input after close of escrow for future project phases.

SCIENTIFIC MERIT

The proposal describes the scientific basis of the project and incorporates the best available science that has been developed through 20 years of Delta-specific research on subsidence and emissions. The proposal describes efforts to develop an adaptive management approach consistent with the Delta Plan's adaptive management framework. The proposal describes climate impacts and benefits and includes a mechanism for incorporating climate change considerations into the project.

ADDITIONAL CONSIDERATIONS

No additional considerations for this project.

BACKGROUND

Chaptered on September 5, 2022, the Amended Budget Act of 2022 (Assembly Bill 179, Item 3875-101-0001 of Section 111) provided the Conservancy with \$36,000,000 for projects that support NBS:WR. Of the total, up to \$34,200,000 is available for projects. The goals of the NBS:WR funding are to support restoration, conservation, and climate resilience for wetlands in the Sacramento-San Joaquin Delta. The Delta region includes over 150,000 acres of highly organic peat soils that are significantly subsided to depths of 20 to 30 feet below sea level. This subsidence threatens the State and Federal water projects, Delta communities, and the region's rich agricultural production. Subsidence is the result of oxidation of the peat soils and results in over 1.5 million tons of CO₂ emissions annually. Decades of data suggest that re-wetting the peat soils by restoring wetlands or implementing wet agriculture (paludiculture) stops subsidence and the resulting carbon emissions.

SUGGESTED MOTION LANGUAGE

Two separate motions are required.

Move that the Board adopt Resolution 2023-02, which finds that the Land Acquisition of Bethel Island is categorically exempt from environmental review under the California Environmental Quality Act pursuant to California Code of Regulations Title 14, Chapter 3, Article 19, Section 15313, subsections (a) and (c).

Move that the Board approve and award funding up to \$2,202,091 to John Muir Land Trust from the Nature Based Solutions: Wetland Restoration Grant funding for the Land Acquisition on Bethel Island.

CONTACT

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FIGURE 1. MAP OF LAND ACQUISITION ON BETHEL ISLAND

