



SPECIAL PUBLIC NOTICE

U.S. ARMY CORPS OF ENGINEERS
LOS ANGELES DISTRICT

BUILDING STRONG®

Prospectus for Mitigation Bank and Application for Permit Riverpark Mitigation Bank

Public Notice/Application No.: SPL-2015-00318-MBT

Project: Riverpark Mitigation Bank

Comment Period May 12, 2015 through June 11, 2015

Project Manager: Melanie Tymes, Melanie.B.Tymes@usace.army.mil, 760-602-4841

Applicant

David Arnold
Hillcrest Homes, Inc.
355 W. 2nd Street
Tustin, California 92780

Contact

Barry Jones
RC Habitats, LLC
9908 Prairie Dunes Way
Sacramento, California 95892

Location

The Riverpark Mitigation Bank is a proposed 619-acre mitigation bank located along the San Jacinto River (SJR) in western Riverside County (Figures 1 and 2). The Bank property is specifically located just downstream of the Ramona Expressway and immediately upstream of Nuevo Road. The site is depicted on the U.S. Geological Survey (USGS) Perris and Romoland Quadrangle Rancho San Jacinto Nuevo y Potrero Land Grant (Figure 3) in unincorporated Riverside County, California (33° 49' 8.4"N, -117° 9' 18"W).

Activity

The review of a mitigation bank prospectus from Hillcrest Homes, Inc. (proposed mitigation bank sponsor) associated with the development of the Riverpark Mitigation Bank for compensatory mitigation for Department of the Army (DA) permits. For more information see page 2 of this notice.

Interested parties are hereby notified that an application has been received for a Department of the Army permit for the activity described herein and shown on the attached drawing(s). We invite you to review today's public notice and provide views on the proposed work. By providing substantive, site-specific comments to the U.S. Army Corps of Engineers (Corps) Regulatory Division, you provide information that support the Corps' decision-making process. All comments received during the comment period become part of the record and will be considered in the decision. This permit will be issued, issued with special conditions, or denied under section 404(b)(1) of the Clean Water Act. Comments should be mailed to:

U.S. Army Corps of Engineers
Regulatory Division, Carlsbad Field Office
ATTN: SPL-2015-00318-MBT
5900 La Place Court, Suite 100
Carlsbad, California 92008

Alternatively, comments can be sent electronically to: Melanie.b.tymes@usace.army.mil

The mission of the Corps Regulatory Program is to protect the Nation's aquatic resources, while allowing reasonable development through fair, flexible and balanced permit decisions. The Corps evaluates permit applications for essentially all construction activities that occur in the Nation's waters, including wetlands. The Regulatory Program in the Los Angeles District is executed to protect aquatic resources by developing and implementing short- and long-term initiatives to improve regulatory products, processes, program transparency, and customer feedback considering current staffing levels and historical funding trends.

Corps permits are necessary for any work, including construction and dredging, in the Nation's navigable water and their tributary waters. The Corps balances the reasonably foreseeable benefits and detriments of proposed projects, and makes permit decisions that recognize the essential values of the Nation's aquatic ecosystems to the general public, as well as the property rights of private citizens who want to use their land. The Corps strives to make its permit decisions in a timely manner that minimizes impacts to the regulated public.

During the permit process, the Corps considers the views of other Federal, state and local agencies, interest groups, and the general public. The results of this careful public interest review are fair and equitable decisions that allow reasonable use of private property, infrastructure development, and growth of the economy, while offsetting the authorized impacts to the waters of the United States. The permit review process serves to first avoid and then minimize adverse effects of projects on aquatic resources to the maximum practicable extent. Any remaining unavoidable adverse impacts to the aquatic environment are offset by compensatory mitigation requirements, which may include restoration, enhancement, establishment, and/or preservation of aquatic ecosystem system functions and services.

Evaluation Factors

The decision whether to issue a permit will be based on an evaluation of the probable impact including cumulative impacts of the proposed activity on the public interest. That decision will reflect

the national concern for both protection and utilization of important resources. The benefit, which reasonably may be expected to accrue from the proposal must be balanced against its reasonably foreseeable detriments. All factors which may be relevant to the proposal will be considered including the cumulative effects thereof. Factors that will be considered include conservation, economics, aesthetics, general environmental concerns, wetlands, cultural values, fish and wildlife values, flood hazards, flood plain values, land use, navigation, shoreline erosion and accretion, recreation, water supply and conservation, water quality, energy needs, safety, food production and, in general, the needs and welfare of the people. In addition, if the proposal would discharge dredged or fill material, the evaluation of the activity will include application of the EPA Guidelines (40 CFR Part 230) as required by Section 404 (b)(1) of the Clean Water Act.

The Corps is soliciting comments from the public; Federal, state, and local agencies and officials; Indian tribes; and other interested parties in order to consider and evaluate the impacts of this proposed activity. Any comments received will be considered by the Corps of Engineers to determine whether to issue, modify, condition or deny a permit for this proposal. To make this decision, comments are used to assess impacts on endangered species, historic properties, water quality, general environmental effects, and the other public interest factors listed above. Comments are used in the preparation of an Environmental Assessment and/or an Environmental Impact Statement pursuant to the National Environmental Policy Act. Comments are also used to determine the need for a public hearing and to determine the overall public interest of the proposed activity. In addition, all comments will be distributed to the members of the Interagency Review Team (IRT) and the sponsor within 15 days of the close of the comment period. The DE and the IRT members will also have the opportunity to comment to the sponsor. After considering comments from the DE, the IRT and the public, if Hillcrest Homes, Inc. chooses to proceed with establishment of the mitigation bank, Hillcrest Homes, Inc. will prepare a draft instrument and submit it to the DE.

Background

On April 10, 2008, the Corps and the EPA published the Final Rule on Compensatory Mitigation for Losses of Aquatic Resources ("Mitigation Rule"), which went into effect June 9, 2008. The rule replaced previous guidance concerning compensatory mitigation.

Consistent with the requirements of the Mitigation Rule at 33 CFR § 332.8(d), Hillcrest Homes, Inc. has submitted a prospectus to the Corps for the purpose of establishing and managing a mitigation bank consistent with the Mitigation Rule. The Corps seeks comments from interested parties on the prospectus. This public notice provides a summary of the mitigation bank prospectus submitted by Hillcrest Homes, Inc. The full prospectus may be obtained from the Corps by contacting Melanie Tymes at Melanie.b.tymes@usace.army.mil or 760-602-4841, or by clicking the "Cyber Repository" link at the top of the following website:

https://ribits.usace.army.mil/ribits_apex/f?p=107:10:26521504204890::NO::P10_BANK_ID:3460

Objectives

The primary objective of the proposed mitigation bank would be to replace functions and services of aquatic resources and associated habitats that have been degraded or destroyed as a result

of activities conducted in compliance or in violation of Section 404 of the CWA. The proposed mitigation bank would provide mitigation for both permanent and temporary impacts to waters of the U.S. In addition, the proposed mitigation bank may be used to offset environmental losses resulting from unavoidable impacts related to regulated activities by the California Department of Fish and Wildlife and the San Diego and Santa Ana Regional Water Quality Control Boards. Specific objectives include:

- Restoration of fluvial processes on site within the San Jacinto River floodplain.
- Restoration of alkali playa and vernal pool habitat.
- Expansion of existing sensitive plant populations across the site.
- Removal of ongoing agricultural activities on the site.
- Removal of existing berms and the low flow channel.
- Permanent protection of the site through transfer of fee title to the Western Riverside Regional Conservation Authority (RCA).
- Permanent management of the site through funding of a non-wasting endowment.

Service Area

Hillcrest Homes, Inc. proposes to include portions of the Santa Ana River watershed in the central and northern portions of western Riverside County, and southern San Bernardino County as the primary service area, and the remainder of the Santa Ana River watershed and Santa Margarita River watershed as the secondary service area.

The Santa Ana drainage in the primary service area has an 8-digit hydrologic unit code (HUC) of:

18070202	San Jacinto	
• 1807020201		Upper San Jacinto River
• 1807020202		Middle San Jacinto River
• 1807020203		Lower San Jacinto River
18070203	Santa Ana	
• 1807020304		San Timoteo Wash
• 1807020306		Temescal Wash
• 1807020308		Middle Santa Ana River

The secondary service areas include:

18070302	Santa Margarita River	
• 1807030201		Upper Temecula Creek
• 1807030202		Wilson Creek
• 1807030203		Lower Temecula Creek
• 1807030204		Murrieta Creek
• 1807030205		Santa Margarita River
18070203	Santa Ana	

• 1807020301	Bear Creek
• 1807020302	Headwaters Santa Ana River
• 1807020303	Lytle Creek
• 1807020305	Upper Santa Ana River
• 1807020307	Chino Creek
• 1807020309	Santiago Creek
• 1807020310	Lower Santa Ana River
18070201 Seal Beach	
• 1807020100	Bolsa Chica Channel-Frontal Hunin
18070204 Newport Bay	
• 1807020401	San Diego Creek
• 1807020402	Newport Bay-Frontal Pacific Ocean
18070106 San Gabriel	
• 1807010606	Lower San Gabriel River

Establishment and Operation of the Program

Hillcrest Homes, Inc. currently has the property under contract to purchase a majority of the bank property from Sweeney Six Trust, a California Trust and The Frank Lauda Jr. Trust of 2000, and is in discussions with Riverside County Flood Control and Water Conservation District on the purchase of the river channel. Based on preliminary information developed for the prospectus, the proposed mitigation bank would encompass approximately 619 acres of land almost entirely within the 100-year floodplain. Entitlement of the proposed mitigation bank is anticipated to result in the rehabilitation and re-establishment of approximately 554 acres of vernal pool and alkali playa, and 65 acres of upland buffer habitat, providing compensatory mitigation to offset lost aquatic resource functions and services. Due to its location along the San Jacinto River and its high potential for successful restoration upon elimination of the artificial low flow channel and berms created by historic agricultural activities, the proposed mitigation bank location has been identified by several state and Federal agencies as a high-priority restoration site.

Hillcrest Homes, Inc. is seeking to preserve the proposed mitigation bank site in perpetuity through the transfer of fee title to the Western Riverside Regional Conservation Authority. Hillcrest Homes, Inc. would be responsible for the mitigation bank design, entitlement, and construction, and the RCA would be responsible for management. Hillcrest Homes, Inc. proposes that the San Diego Foundation hold the long-term management endowment.

Qualifications of the Sponsor

Hillcrest Homes, Inc. is a long established company with extensive experience in the development industry in southern California. Hillcrest Homes, Inc. has retained Barry Jones and Mike McCollum (RC Habitats, LLC), as joint venture partners in the bank, to be primarily responsible for day to day operation of the Bank. Mr. Jones and Mr. McCollum have been involved in several

conservation and mitigation banks across southern and central California. Hillcrest Homes, Inc. has also retained hydrologists, biologists, and restoration ecologists to assist with the Bank design, and will add technical expertise to the team as necessary during the BEI review process.

For additional information please contact Melanie Tymes of my staff at 760-602-4841 or via e-mail at Melanie.b.tymes@usace.army.mil. This public notice is issued by the Chief, Regulatory Division.



Regulatory Program Goals:

- To provide strong protection of the nation's aquatic environment, including wetlands.
- To ensure the Corps provides the regulated public with fair and reasonable decisions.
- To enhance the efficiency of the Corps' administration of its regulatory program.

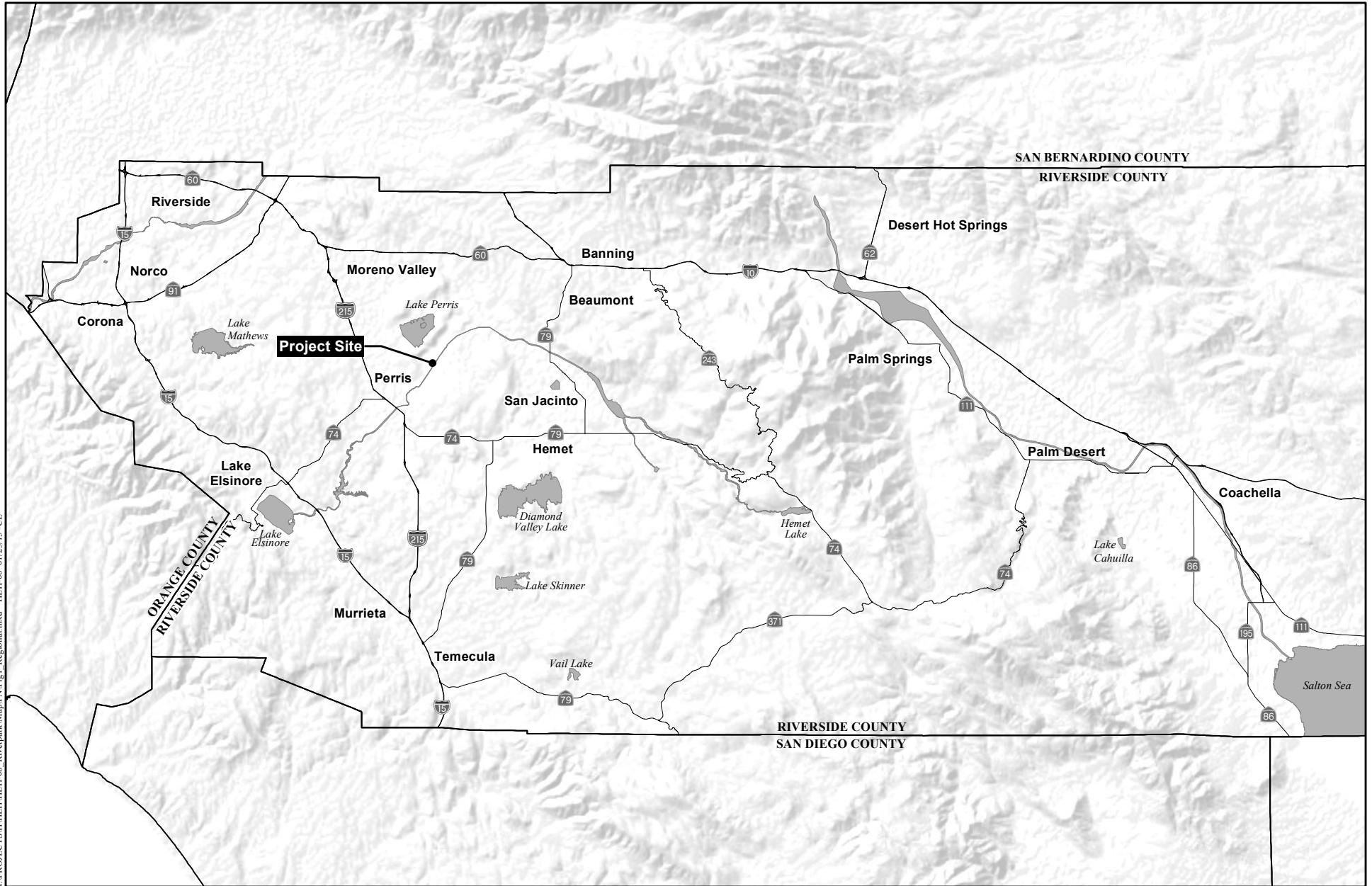
U.S. ARMY CORPS OF ENGINEERS – LOS ANGELES DISTRICT

5900 La Place Court, Suite 100

Carlsbad, California 92008

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Regional Location

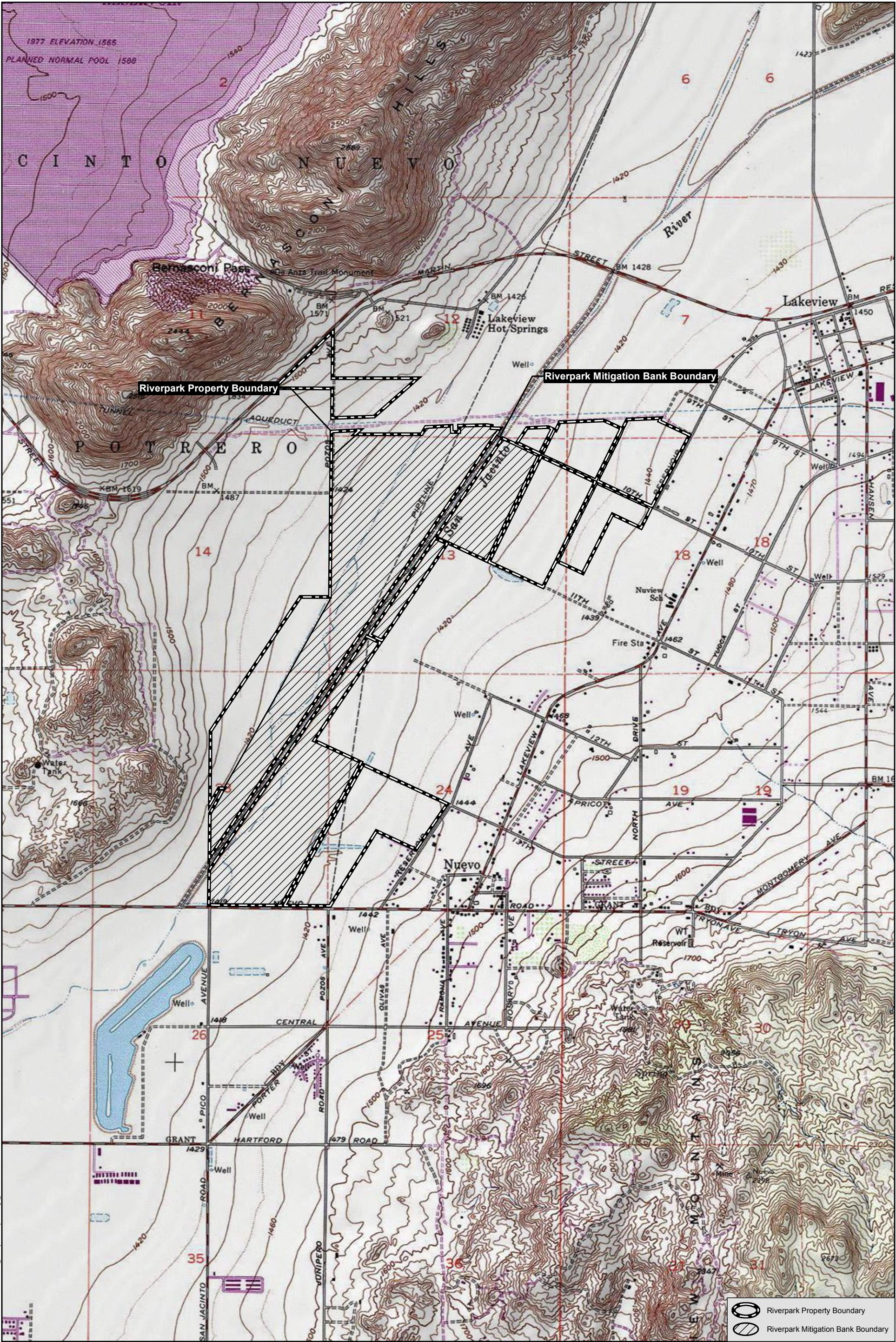
RIVERPARK MITIGATION BANK



Project Vicinity - Aerial Photograph

RIVERPARK MITIGATION BANK

Figure 2



- Riverpark Property Boundary
- Riverpark Mitigation Bank Boundary

USGS Topography

RIVERPARK MITIGATION BANK