

COASTAL CONSERVANCY

Staff Recommendation
November 30, 2017

**PHASE 2 OF THE YOSEMITE SLOUGH RESTORATION
AND DEVELOPMENT PROJECT**

Project No. 02-097-03
Project Manager: Laura Cholodenko

RECOMMENDED ACTION: Authorization to disburse up to \$454,602 to the California State Parks Foundation for Phase 2 of the Yosemite Slough Restoration and Development Project within the Candlestick Point State Recreation Area in San Francisco County.

LOCATION: Yosemite Slough, Candlestick Point State Recreation Area, City and County of San Francisco

PROGRAM CATEGORY: San Francisco Bay Area Conservancy

EXHIBITS

- Exhibit 1: [Project Location](#)
 - Exhibit 2: [Site Photographs and Design](#)
 - Exhibit 3: [October 5, 2006 Staff Recommendation for Yosemite Slough Restoration–Northern Area Construction](#)
 - Exhibit 4: [Project Letters](#)
 - Exhibit 5: [Initial Study/Mitigated Negative Declaration and Mitigation, Monitoring and Reporting Plan for the Yosemite Slough Restoration Project](#)
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RESOLUTION AND FINDINGS:

Staff recommends that the State Coastal Conservancy adopt the following resolution pursuant to Sections 31160-31165 of the Public Resources Code:

“The State Coastal Conservancy hereby authorizes disbursement of an amount not to exceed four hundred fifty four thousand six hundred and two dollars (\$454,602) to the California State Parks Foundation (CSPF) for Phase 2 of the Yosemite Slough Restoration and Development Project, Candlestick Point State Recreation Area. This authorization is subject to the following conditions:

1. Prior to the disbursement of Conservancy funds, CSPF shall submit for the review and approval of the Executive Officer of the Conservancy: a final work program, schedule and

budget; copies of all necessary permits; a plan for acknowledging Conservancy funding; and names of project contractors.

2. In carrying out the project work, CSPF shall comply with all applicable mitigation and monitoring measures that are set forth in the final mitigated negative declaration for the Yosemite Slough Restoration Project, approved in June 2006 by the California Department of Parks and Recreation, attached as Exhibit 5 to the accompanying staff recommendation, and that are required by any other permit or approval for the project.
3. Conservancy funding for the project shall be used only to reimburse the urban greening elements of the Phase 2 work.”

Staff further recommends that the Conservancy adopt the following findings:

“Based on the accompanying staff report and attached exhibits, the State Coastal Conservancy hereby finds that:

1. The proposed authorization is consistent with Chapter 4.5 of Division 21 of the Public Resources Code, regarding the San Francisco Bay Area Conservancy Program.
2. The proposed project is consistent with the current Conservancy Project Selection Criteria and Guidelines.
3. The California State Parks Foundation is a nonprofit organization existing under section 501(c)(3) of the U.S. Internal Revenue Code, and whose purposes are consistent with Division 21 of the Public Resources Code.
4. The Conservancy has independently reviewed and considered the Initial Study/Mitigated Negative Declaration Candlestick Point State Recreation Area Yosemite Slough Restoration Project adopted by the California Department of Parks and Recreation on June 5, 2006 and attached to the accompanying staff recommendation as Exhibit 5. The Conservancy finds that the proposed project as mitigated avoids, reduces or mitigates the possible significant environmental effects and that there is no substantial evidence that the proposed project will have a significant effect on the environment as defined by the CEQA Guidelines, 14 Cal. Code Regs. Section 15382.”

PROJECT SUMMARY:

Staff recommends the disbursement of up to \$454,602 (four hundred fifty four thousand six hundred and two dollars) to the California State Parks Foundation (CSPF) for Phase 2 of the Yosemite Slough Restoration and Development Project. Conservancy funding would be used for urban greening elements of Phase 2 work, including: native plant landscaping and associated site preparation and related work along the north side of Yosemite Slough within the Candlestick Point State Recreation Area (Park), in the City of San Francisco (Exhibit 1). Other elements of the Phase 2 project, which will be funded by matching funds (see “Project Financing” section, below) include development of trails and visitor facilities that will transform the 21-acre site into parkland that will be used by an estimated 200,000 visitors per year (Exhibit 2), including adjacent

Bayview-Hunters Point residents, local school groups, and community groups. The project is part of a comprehensive effort to restore wetland and wildlife habitat and clean up contaminated areas in the Park, as well as increase access to the Park's waterfront and provide recreational and educational opportunities for the local community and other Bay Area communities.

The element of the project that would be funded by the Conservancy includes planting 149 native trees and approximately 13,000 native shrubs, forbs, and grasses. The native shrubs will establish coastal scrub habitat, as well as enhance entryways and plaza gardens and will be incorporated into raingardens established at high run-off areas through the project site. CSPF will contract with Literacy for Environmental Justice (LEJ) to grow a portion of the plants planned for the site at their Candlestick Point Native Plant Nursery. LEJ's paid high school-aged interns, and youth program participants will assist in the plant propagation, as well as plant installation and maintenance.

The raingardens will consist of a top layer of plants and mulch, subsurface layers of bio-retention soil and gravel, and an underdrain and will treat almost all of the stormwater runoff at the project site. The raingardens will reduce the amount of suspended solids, heavy metals, and nutrients that could otherwise runoff into the Bay.

Although not funded by the Conservancy, the proposed project also includes development of an education center and 0.8 miles of new trails, including paving a 2,000 foot segment of the San Francisco Bay Trail, ADA-accessible park viewing and picnic areas, an outdoor amphitheater for interpretive park programming, and a parking lot for 35 cars. The selection and design of visitor facilities were developed after a series of community meetings that were held in the early 2000s.

A new Interpretation Master Plan (IMP) and educational programming were completed for the Park in 2016. The year-long planning process resulted in a community-driven plan that will guide programming at the new education center and the development of interpretive features that will be developed as part of Phase 2.

CSPF is a statewide nonprofit organization dedicated to protecting, enhancing and advocating for California's State Parks. The Foundation raises funds from members, corporations, foundations, and government agencies to improve and expand park programs and facilities, with special emphasis on environmental education, diversity, volunteerism, and stewardship. The Foundation and California Department of Parks and Recreation (CDPR) jointly plan and collaborate on park improvement projects.

Site Description: The Phase 2 project is located on the north side of Yosemite Slough in Candlestick Point State Recreation Area along San Francisco's southeastern waterfront. The project site is owned and managed by the CDPR. Currently, the site contains one tree and minimal upland vegetation (mostly non-native weeds), in addition to seven acres of newly restored tidal wetlands (see Project History).

The decommissioned Hunters Point Naval Shipyard is to the north and being redeveloped, which will add approximately 35,000 new residents and workers within walking distance of the project. The demolished Candlestick stadium, to the southwest, is also a center of residential and commercial redevelopment in the area. The Bayview and Hunters Point neighborhoods lie to the northwest. The San Francisco Public Utilities Commission maintains an easement and outfall structure through the project site.

The project site is part of the Pacific Flyway and serves as an important foraging area for migrating and wintering shorebirds. When mature, the restoring tidal marsh at the site will provide habitat for the endangered Ridgway's rail and salt marsh harvest mouse.

Project History: On October 5, 2006, the Conservancy authorized disbursement of up to \$3,316,911 to CSPF to implement Phase 1 of the project. The Phase 1 project included removal of existing structures, debris, and contaminated soil from the project site; creating seven acres of tidal wetlands including a bird-nesting island designed especially for special status species, and revegetating the tidal marsh area with native plants to increase local biodiversity and control erosion. The original authorization also provided funding for grading and installation of aggregate to support a 2,000 foot section of Bay Trail and a public environmental education and interpretive facility. Construction of the education center was delayed and it is now to be completed as part of the Phase 2 project. The \$256,767 reserved from the original authorization for the new education center is listed below (see Project Financing).

Following additional studies and design work, the cost of the Phase 1 project increased from approximately \$12 million to \$16 million, largely due to the cost of handling contaminated soils. On December 8, 2008, the Conservancy authorized disbursement of up to \$1 million to CSPF to cover part of the increased cost of Phase 1. The Phase 1 project, except for development of the education center, was completed in 2012.

Additional details related to early Park planning is found in Exhibit 3.

PROJECT FINANCING

Coastal Conservancy	\$454,602
Coastal Conservancy (Remaining funds from previous authorization)	\$256,767
S.D. Bechtel Jr. Foundation	\$1,018,989
Connie and Bob Lurie	\$700,000
Goldman Fund	\$902,281
S.F. Public Utilities Commission	\$611,000
Lennar	\$253,788
Hellman Foundation	\$500,000
Unexpended Phase 1 funding	\$126,651
Hearst Foundation	\$100,000
Barkley Fund	\$100,000
Arlin Weinberger	\$50,000
Union Bank of California Foundation	\$15,000
Individual Donors	\$8,000
California Natural Resources Agency	\$844,705
Funds to Be Raised	\$790,476

Project Total

\$6,732,259

The expected source of Conservancy funding for the project is the fiscal year 2017/18 appropriation to the Conservancy from the “Water Quality, Supply, and Infrastructure Improvement Act of 2014” (Proposition 1, Division 26.7 of the Water Code, § 79700 et seq.). Funds appropriated to the Conservancy derive from Chapter 6 (commencing with Section 79730) and may be used “for multi-benefit water quality, water supply, and watershed protection and restoration projects for the watersheds of the state” (Section 79731). Section 79732(a) identifies the specific purposes of Chapter 6, of which the following pertain to this project: subsections (a)(9): protect and restore rural and urban watershed health to improve watershed storage capacity, forest health, protection of life and property, stormwater resource management, and greenhouse gas reduction; (a)(10): protect and restore coastal watersheds, including, but not limited to bays, marine estuaries, and nearshore ecosystems; and (a)(11): reduce pollution or contamination of rivers and streams, and protect or restore natural system functions that contribute to water supply, water quality, or flood management.

As required by Proposition 1, the proposed project provides multiple benefits and will help achieve the above-referenced Chapter 6 purposes. By installing raingardens, the project will provide stormwater management and protect local water quality. Trees and other plants installed at the site will help sequester carbon, providing greenhouse gas reduction benefits.

The proposed project was selected through the competitive grant process under the Conservancy’s *Proposition 1 Grant Program Guidelines* adopted in June 2015 (see § 79706(a)). The proposed project meets each of the evaluation criteria in the Proposition 1 Guidelines as described in further detail in this “Project Financing” section, the “Project Summary” section, and in the “Consistency with Conservancy’s Project Selection Criteria & Guidelines” section of this report.

Match funding listed above would support development of trails, raingardens, the education center, interpretive signs, and other visitor-oriented infrastructure.

CONSISTENCY WITH CONSERVANCY’S ENABLING LEGISLATION:

The proposed project would be undertaken pursuant to Chapter 4.5 of the Conservancy’s enabling legislation, Public Resource Code (PRC) Sections 31160-31165, which provides that the Conservancy may award grants in the nine-county San Francisco Bay Area to help achieve the goals of the San Francisco Bay Area Conservancy Program.

Pursuant to PRC Section 31162(d), the Conservancy is authorized to award grants to “promote, assist, and enhance projects that provide open space and natural areas that are accessible to urban populations for recreational and educational purposes.” By creating 21 acres of natural area and parkland along the Bay shoreline, this project will provide open space and natural areas that are accessible to residents of the City of San Francisco for recreational and educational purposes.

Pursuant to PRC Section 31163(b), the Conservancy is authorized to award grants to “support interagency actions and public/private partnerships in the San Francisco Bay Area ...providing for broad-based local involvement in, and support for, the San Francisco Bay Area Conservancy

Program.” This project involves public and private partners making natural areas more accessible to urban communities.

This project is appropriate for prioritization under the selection criteria set forth in Section 31163(c) in that: (1) it is supported by adopted local or regional plans such as The San Francisco Estuary Project’s Comprehensive Conservation and Management Plan, which calls for providing public access and Bay-related education and recreation while protecting wildlife. The project is also supported by the San Francisco-Bayview-Hunters Point Plan adopted in 1995 and amended most recently in 2010. The Plan identifies Yosemite Slough and surrounding industrial land as areas in need of improvement and restoration; (2) the project will create interpretive features and trails, and provide shoreline access that is in close proximity to millions of Bay Area residents; (3) CSPF has almost completed fundraising for the project and would commence work within months of Conservancy authorization; (4) the Project will provide opportunities for benefits (urban greening) that would be lost if not quickly implemented; and (5) CSPF has matching funds.

**CONSISTENCY WITH CONSERVANCY’S 2013 STRATEGIC PLAN
GOAL(S) & OBJECTIVE(S), AS REVISED JUNE 25, 2015:**

Consistent with **Goal 11, Objective D** of the Conservancy’s 2013-1018 Strategic Plan, the proposed project will enhance upland habitat by planting native coastal scrub and grassland habitat adjacent to the site’s existing tidal wetlands, which will provide cover for wildlife and refugial areas for tidal marsh species during high tides. The project also supports **Goal 11, Objective F** by enhancing watershed functions and processes for the benefit of wildlife and water quality through the installation of raingardens and other areas of upland vegetation that will provide habitat and filter pollutants from stormwater. The project will support **Goal 12, Objective M** by providing recreational facilities including picnic areas, overlooks, an educational center, and interpretive signs. Finally, the project supports **Goal 12, Objective E** by finishing construction of a 2,000 foot section of the San Francisco Bay Trail.

**CONSISTENCY WITH CONSERVANCY’S
PROJECT SELECTION CRITERIA & GUIDELINES:**

The proposed project is consistent with the Conservancy’s Project Selection Criteria and Guidelines, last updated on October 2, 2014, in the following respects:

Required Criteria

1. **Promotion of the Conservancy’s statutory programs and purposes:** See the “Consistency with Conservancy’s Enabling Legislation” section above.
2. **Consistency with purposes of the funding source:** See the “Project Financing” section above.
3. **Promotion and implementation of state plans and policies:** The project implements two key strategic growth and management strategies outlined in California @ 50 Million (The Governor’s Environmental Goals and Policy Report, 2015) including: a) stewardship and protection of natural areas and b) incorporation of climate change in site planning. The

project will also promote non-motorized travel by developing a section of the Bay Trail, which furthers the Plan's goal of reducing vehicle miles traveled.

4. **Support of the public:** The project is supported by State Assembly Member David Chiu, San Francisco Supervisor Malia Cohen, and a number of non-profit partners (Exhibit 4).
5. **Location:** The project is located on the shoreline of San Francisco Bay and will benefit migratory and resident wildlife by creating scrub and grassland habitat as well as planting trees, all of which provide roosting, cover, and nesting habitat for a variety of species.
6. **Need:** Without Conservancy funding the project could be delayed, increasing project costs, and impacting interpretive programming partnerships established during the past year as part of the development of the Park's first Interpretation Master Plan.
7. **Greater-than-local interest:** The new education center will connect an estimated 200,000 annual visitors, including thousands of Bay Area schoolchildren, with the park's unique ecology and wildlife, as well as the area's Native American, industrial, cultural, and environmental justice history. The new Yosemite Slough Bay Trail segment will be a valuable part of the regional trail network, linking the park and Bayview-Hunters Point with the rest of San Francisco and San Mateo County.
8. **Sea level rise vulnerability:** In 2009 and 2012, the site was analyzed for susceptibility to flooding and storm surges due to sea level rise. Sea level rise along the Park's shoreline was projected for the years 2030, 2045, 2065, and 2081. To accommodate sea level rise, infrastructure will be located at elevations that are high enough to be protected throughout the 75 year period that was analyzed. The northeast portion of the Bay Trail may occasionally be inundated by storm surge after 55 years of projected sea level rise but will be designed so as not to sustain damage.

Additional Criteria

10. **Resolution of more than one issue:** The project will provide much needed open space and recreational opportunities for the local community. Additionally, the project will help restore native habitat that will benefit endangered and migratory species and build regional trails to support alternative transportation.
11. **Leverage:** See the "Project Financing" section above.
14. **Readiness:** CSPF has nearly completed fundraising for the project and is planning to construct the project so that it can be opened to the public in 2019.
15. **Realization of prior Conservancy goals:** "See "Project History" above."
16. **Return to Conservancy:** See the "Project Financing" section above.
17. **Cooperation:** A 35-member Advisory Committee included community input on various park interpretive themes via poster surveys at community venues and via a well-attended public open house. Literacy for Environmental Justice will continue to engage the community through project implementation by coordinating local youth to assist in plant propagation and installation.
18. **Vulnerability from climate change impacts other than sea level rise:** Plantings installed at the site will be drought tolerant to withstand increased temperatures and reductions in rainfall

as a result of climate change. A diversity of plant species will be planted to ensure greater potential to adapt to changing environmental conditions over time.

19. **Minimization of greenhouse gas emissions:** Overall, the project will reduce greenhouse gas emissions through the installation of 149 new trees and by constructing a segment of the Bay Trail, which will encourage alternative transportation and reduce vehicle miles traveled. The trees planted are expected to sequester more than 2.3 million pounds of carbon by 2058 (calculated via the USDA's iTrees Tool and Air Resources Board quantification methodology). Further, the education center is planned to be a zero-net energy building, therefore its operation will not result in emissions of greenhouse gases.

CONSISTENCY WITH SAN FRANCISCO BAY PLAN:

The proposed project is consistent with the San Francisco Bay Plan's Fish, Other Aquatic Organisms and Wildlife Policy #2, since the proposed project helps to restore and conserve habitat with native plant species that will benefit native wildlife.

The proposed project is consistent with the San Francisco Bay Plan's Water Quality Policy #3, by installing raingardens to treat runoff at the project site, which will protect the Bay from potentially harmful pollutants.

The proposed project is consistent with the San Francisco Bay Plan's Climate Change Policy #3, since the proposed project takes into consideration three feet of sea level rise in project design and will be resilient to late-21st century sea level rise projections.

The proposed project is consistent with the San Francisco Bay Plan's Recreation Policy 4 since it ensures there is interpretation of tidal and upland habitat, and will provide public access.

COMPLIANCE WITH CEQA:

A final mitigated negative declaration (MND) for all three phases of the Yosemite Slough Restoration Project was approved in June 2006 by CDPR (Exhibit 5). The MND concludes that the overall restoration project may have potentially adverse environmental effects in the areas of aesthetics, air quality, biological resources, hazards and hazardous materials, hydrology and water quality, transportation and traffic, and utilities and service systems and identifies required mitigation measures to reduce those effects. A Mitigation, Monitoring, and Reporting Program was also developed and approved along with the MND. The MMRP outlines procedures and schedules for implementation of the mitigation measures, and requires compliance by CDPR and its contractors. The majority of impacts and mitigation measures described in the MND relate to the Phase 1 excavation and remediation of contaminated soils and hazardous waste. Mitigation measures identified in the MND that will avoid, reduce, or minimize the possible effects of the Phase 2 project to a level of insignificance include:

Air quality: To minimize fugitive dust emissions associated with grading, best management practices will be employed, in accordance with Bay Area Air Quality Management District rules and regulations. BMPs may include limiting traffic speeds on unpaved roads, covering or watering stockpiled soil piles, and sweeping streets if visible soil is carried onto public roadways.

Biological Resources: Upland areas at the project site and along adjacent properties are generally not suitable for sensitive wildlife, with the exception of burrowing owls that have been sighted nearby. Therefore, a preconstruction survey for burrowing owls will be conducted prior to the start of construction.

Hazards and Hazardous Materials: Following Phase 1 construction, the entire site was tested and the location of capped contaminated soils was mapped. A Risk Management Plan developed during Phase 1 that provides safety guidelines for working at the site will also guide Phase 2 construction. The engineering firm that developed the plan and has conducted soil testing of the site, will be retained during Phase 2 to help ensure compliance with the Risk Management Plan and to advise the contractor during construction. The project has located facilities so they will not interact with capped soils; however, additional soil testing may be required in a small area where piers will be installed to support an overlook.

Hydrology and Water Quality: The grantee will develop a Storm Water Pollution Prevention Plan that specifies best management practices to prevent construction pollutants from contacting storm water.

Staff concurs with the conclusion reached by CDPR, through the MND, that with these mitigation measures incorporated into the proposed project, the project will not have a significant effect on the environment. Accordingly, staff recommends that the Conservancy, as a responsible agency, find that it has independently reviewed the MND and MMRP; that the project, as mitigated, avoids, reduces, or mitigates the potential significant environmental effects to a level of insignificance; and that there is no substantial evidence in the record that the project will have a significant effect on the environment as defined in 14 California Code of Regulations Section 15382.

Upon Conservancy approval, staff will file a Notice of Determination for the Project.