COASTAL CONSERVANCY

Staff Recommendation June 1, 2023

South Bay Salt Pond Restoration Project Phase 2: Eden Landing and Mountain View Implementation

Project No. 02-070-05
Project Manager: Laura Cholodenko

RECOMMENDED ACTION: Authorization to disburse up to \$10,940,911 to Ducks Unlimited, which includes \$3,940,911 in funds from the U.S. Environmental Protection Agency, to restore tidal marsh and enhance managed ponds as part of Phase 2 of the South Bay Salt Pond Restoration Project in Alameda and Santa Clara Counties.

LOCATION: Mountain View in Santa Clara County and Hayward in Alameda County

EXHIBITS

Exhibit 1: Project Locations

Exhibit 2: Eden Landing Project Design

Exhibit 3: May 27, 2021 South Bay Salt Pond Restoration Project Phase

2: Eden Landing Construction, Adaptive Management, and

Project Management Staff Recommendation

Exhibit 4: Mountain View Project Design

Exhibit 5: May 26, 2016 South Bay Salt Pond Restoration Project: Phase

2 Implementation Staff Recommendation

Exhibit 6: Project Letters

RESOLUTION AND FINDINGS

Staff recommends that the State Coastal Conservancy adopt the following resolution and findings.

Resolution:

The State Coastal Conservancy hereby authorizes a grant of an amount not to exceed ten million nine hundred forty thousand nine hundred and eleven dollars (\$10,940,911) to Ducks Unlimited ("the grantee") which includes \$3,940,911 in funds from the U.S. Environmental

Protection Agency, to restore tidal marsh and enhance managed pond habitat as part of Phase 2 of the South Bay Salt Pond Restoration Project in Alameda County and Santa Clara County.

Prior to commencement of the project, the grantee shall submit for the review and written approval of the Executive Officer of the Conservancy (Executive Officer) the following:

- 1. A detailed work program, schedule, and budget.
- 2. Names and qualifications of any contractors to be retained in carrying out the project.
- 3. A plan for acknowledgement of Conservancy funding.
- 4. Evidence that all permits and approvals required to implement the project have been obtained.
- 5. Evidence that the grantee has entered into agreements sufficient to enable the grantee to implement, operate, and maintain the project.

Prior to commencing the project, the grantee shall enter into and record an agreement pursuant to Public Resources Code 31116(d) sufficient to protect the public interest in the improvements.

In addition, to the extent appropriate, the grantee shall incorporate the guidelines of the Conservancy's Coastal Access Project Standards.

Findings:

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

- 1. The proposed authorization is consistent with Chapter 3 of Division 21 of the Public Resources Code, regarding the impacts of climate change.
- 2. The proposed project is consistent with the current Conservancy Project Selection Criteria.
- 3. Ducks Unlimited is a nonprofit organization organized under section 501(c)(3) of the U.S. Internal Revenue Code.

STAFF RECOMMENDATION

PROJECT SUMMARY:

Staff recommends the Conservancy authorize disbursement of up to \$10,940,911, including \$3,940,911 in funds granted to the Conservancy by the U.S. Environmental Protection Agency, to Ducks Unlimited to restore tidal marsh and enhance managed ponds as part of Phase 2 of the South Bay Salt Pond Restoration (SBSPR) Project (Exhibit 1). The SBSPR Project is a multiagency effort to restore tidal marsh and enhance managed pond habitat in 15,100 acres of former salt-evaporation ponds in South San Francisco Bay in phases over a 50-year period. The proposed authorization is to provide funding for construction and potentially some design and planning work for the Eden Landing and Mountain View projects that are components of Phase 2 of the SBSPR Project.

The managed ponds that make up these Phase 2 projects currently have limited connections to the surrounding sloughs and San Francisco Bay, leading to the potential for impaired water quality (e.g., low dissolved oxygen, elevated temperature). While these ponds do provide shorebird and waterfowl habitat, they do not support marsh-associated species such as the Ridgway's rail and salt marsh harvest mouse or other native species that depend upon vegetated wetland habitat.

Eden Landing (Ponds E1, E2, E4, E7, E5, E6, E6C, E1C, E2C, E5C, E4C, and E6A): Phase 2 actions at Eden Landing will occur in and around former salt-evaporation ponds (now managed as wildlife habitat) that make up the southern half of Eden Landing and will also include some modification of one pond (E6A) in northern Eden Landing (Exhibit 2). The four largest ponds (1,300 acres) will be breached, returning them to full tidal action, restoring their water quality to match that of ambient conditions in the open bay. The project will excavate pilot channels and may remove some of the marsh area at the mouth of old Alameda Creek in order to facilitate the movement of tidal waters in and out of the breached ponds. Over time, sediment will deposit in the breached ponds, raising them to marsh plain elevation so they can support tidal marsh vegetation and continue to evolve until mature marsh habitat is restored. The project will also construct upland transition slopes along the sides of levees to increase the potential of the restored marshes to adapt to sea level rise while providing ecological benefits such as habitat complexity and high tide refugia for terrestrial wildlife. Levees would also be raised in sections to ensure that adjacent urban areas do not experience an increase in coastal flood risk when tidal flows are restored to the ponds.

In the remaining seven managed ponds (800 acres), the project will replace and add new, more effective water control structures, improving circulation within the ponds by increasing the ability to move water through the ponds more effectively to meet water quality objectives and to achieve water depths that benefit waterfowl, shorebirds, and other pond-dependent wildlife. The project will also construct a section of the San Francisco Bay Trail along the edge of managed pond habitat, a community connector trail, and other public amenities like viewing platforms, interpretive signs, and benches.

The SBSPR Project partners conducted engagement with local communities during initial planning for Phase 2 of the SBSPR Project starting in 2012. In early 2021, the partners initiated a new outreach effort focused on soliciting input from historically under-represented communities on the details of public access features and design specifically for the Eden Landing project. To conduct equitable community outreach and engagement, the Project partners identified socially vulnerable and disadvantaged populations in census tracts that fall within a 2-mile radius of the project site. These areas have since been the focus of targeted outreach and engagement efforts, including trying to identify community-based organizations, local resident associations, and other individuals and groups who are interested in being involved in remaining stages of project design and implementation. Project managers hosted tours of the project site and attended several community events to get input from community members on the project design and location of public access features.

In June 2021, the Conservancy authorized funding to initiate construction of the Phase 2 restoration project at Eden Landing (Exhibit 3). Ducks Unlimited has used a portion of the

funding to complete improvements to the bayfront levee and to stockpile coarse sediment on site for use in constructing bird nesting islands or other habitat features. Ducks Unlimited will generally use Conservancy-authorized funding from 2021 for early construction actions such as removing unused utility lines and improving levees; whereas the current proposed authorization will be for later construction actions such as excavating channels, breaching levees, and building the public access trail.

The current proposed authorization includes a recently awarded \$3.9 million grant from the U.S. Environmental Protection Agency (EPA) for construction and staff is seeking authorization to disburse the funding to Ducks Unlimited. Conservancy funding and EPA funding will provide approximately half of the construction funding needed for the Eden Landing project. It is anticipated that additional federal, state and local funds will be granted to the Conservancy or directly to Ducks Unlimited for this project through competitive grant programs of the National Fish and Wildlife Foundation, National Oceanic and Atmospheric Administration, the San Francisco Bay Restoration Authority, and possibly from the Wildlife Conservation Board.

In June 2021, the Conservancy also authorized funding for the Alameda County Flood Control and Water Conservation District for their review and evaluation of potential project effects on flood control facilities due to changes in how tidal waters move in and out of the project site (Exhibit 3). The District is initiating their modeling and project review so that permits for the project can be issued in early 2024.

Mountain View (Ponds A1 and A2W): The Phase 2 project at Mountain View will create 710 acres of restored tidal marsh habitat, 20 acres of upland transition slope, over 1.1 miles of new Bay Trail along the eastern levee of Pond A2W, and a short 0.2 mile Bay Trail spur to an overlook on Pond A1. These former salt-evaporation ponds will be restored to tidal marsh by breaching and improving levees, dredging pilot channels through fringing marsh, and constructing upland transition slopes by placing dirt along the edge of an existing landfill adjacent to the restoration sites (Exhibit 4).

In May 2016, the Conservancy authorized disbursement of over \$11 million in federal and state grant funding for the restoration of Ponds A1 and A2W (Exhibit 5). Funding from the City of Mountain View has not been secured as shown in the financial section of Exhibit 5, although a cost-share agreement is in the process of being developed as described below. The majority of existing funds for the Mountain View Project will be used to complete the restoration of Pond A2W which is currently under construction. (\$1 million dollars of the \$11 million was granted by U.S. Fish and Wildlife Service specifically for the restoration of Pond A1 and will be reserved for construction at that Pond). It is anticipated that additional federal, state and local funds will be granted to the Conservancy or directly to Ducks Unlimited for the Mountain View project through competitive grant programs of the U.S. Environmental Protection Agency, National Oceanic and Atmospheric Administration, the San Francisco Bay Restoration Authority, and possibly from the Wildlife Conservation Board.

To date, over one-third of the dirt needed to construct the upland transition slope along the landfill levee at A2W has been brought to the site. Ducks Unlimited is currently in the process of conducting repairs of the outer levee that supports Pacific Gas and Electric access and the planned public access trail. The work at A2W is on track to being completed in 2025. While it is

expected that existing funds will be sufficient to complete construction at A2W, construction costs have increased substantially in recent years; therefore some additional funding through this authorization may be necessary to cover those increased costs. Funding through this proposed authorization may also be used to complete alterations to City of Mountain View facilities at A2W that would be impacted by the restoration project. In particular, the City has recently determined that additional erosion protection along their landfill slope, above the planned upland transition slope, as well as modifications to the Bay Trail and an emergency stormwater outflow culvert, will be necessary in order to protect those features from periodic tidal flooding once A2W is breached. The City is currently completing designs for those modifications and is in the process of developing permit applications for them. A cost-share agreement between the City and Coastal Conservancy is being drafted that will detail the timing, approach, and funding amounts that each party is responsible for providing in order to complete the erosion protection, Bay Trail, and outflow channel modifications.

Construction of the restoration project at Pond A1 has been delayed due to issues associated with making necessary improvements to the Coast Casey Forebay levee that is owned by the City of Mountain View. In order to advance sea level rise adaptation that was a priority for the City, the Conservancy and other SBSPR Project partners initially agreed to incorporate a larger levee into the designs for Pond A1 than would be necessary for the restoration project. However, during development of 60% design plans, it was determined that several different utilities would need to be relocated to complete those levee improvements. Due to the complexity of this element of the project, and because the levee is property of the City of Mountain View, it was determined that the City, rather than the Coastal Conservancy and Ducks Unlimited, should take the lead in final design and construction of the Coast Casey levee. The City is currently developing conceptual designs for levee improvements. Funding through this authorization may support additional planning and revised design work of Pond A1 restoration project elements (e.g., the upland transition slope) that are closely associated with the City's levee. The funding may also be used to enhance areas of the Pond A1 perimeter levee to ensure that it can support construction access.

Site Description: The Eden Landing project area proposed for funding is in the Congressman Pete Stark Ecological Reserve at Eden Landing (Eden Landing), owned and managed by the California Department of Fish and Wildlife (CDFW). Eden Landing is managed for wildlife habitat and wildlife-oriented public access and it encompasses more than 6,400 acres that includes areas of tidal wetlands, managed ponds, sloughs, and uplands. The project area is primarily between Old Alameda Creek to the north, the Alameda Creek Flood Control Channel to the south, Union City to the east, and San Francisco Bay to the west (Exhibit 2). Ducks Unlimited has a "Letter of Permission" to access and conduct construction on the Reserve and is currently working with Alameda County Flood Control and Water Conservation District to get approval to access sections of their property for construction.

The Mountain View project area is in the Don Edwards San Francisco Bay National Wildlife Refuge (Refuge), managed by the U.S. Fish and Wildlife Service (USFWS), immediately north of the City of Mountain View's Shoreline Park (Exhibit 1). The Refuge is also managed for wildlife habitat and wildlife-oriented public access. It encompasses almost 30,000 acres overall, of which approximately 9,000 acres are included in the SBSPR Project. The USFWS and Ducks

Unlimited have an agreement that grants Ducks Unlimited authorization to access and construct on the Mountain View ponds. The USFWS is in the process of finalizing an agreement with the City of Mountain View that will allow the transition slope to be built along the edge of the City's landfill and for the USFWS to maintain that feature after construction is complete.

Grant Applicant Qualifications: Funding from this authorization would go to Ducks Unlimited, a nonprofit organization with extensive experience restoring tidal wetlands and habitat for waterfowl and other species. Ducks Unlimited is currently completing final designs and permitting for the Eden Landing Phase 2 Project and they are managing ongoing construction of the Ravenswood and Mountain View Phase 2 SBSPR projects. In addition, Ducks Unlimited has successfully constructed three SBSPR Phase I projects, all three phases of the Bair Island restoration project, and numerous other Bay Area wetland restoration projects.

CONSISTENCY WITH CONSERVANCY'S PROJECT SELECTION CRITERIA:

The proposed project is consistent with the Conservancy's Project Selection Criteria, last updated on September 23, 2021, in the following respects:

Selection Criteria

1. Extent to which the project helps the Conservancy accomplish the objectives in the Strategic Plan.

See the "Consistency with Conservancy's Strategic Plan" section below.

2. Project is a good investment of state resources.

The Eden Landing and Mountain View projects will together restore 2,000 acres of tidal marsh, which is a relatively large area when considered within the context of regional plans that call for the conservation of 100,000 acres of tidal marsh in San Francisco Bay (Bayland Ecosystem Habitat Goals Project (Monroe et al. 1999)). Project permits have been issued for the Mountain View restoration work and construction is underway. The City of Mountain View is close to issuing permissions that will allow the habitat transition slope to be built along the edge of its landfill.

Ducks Unlimited has submitted applications to the Bay Restoration Regulatory Integration Team agencies for all permits and regulatory authorizations for Eden Landing. The only other permission needed would be from the Alameda County Flood Control and Water Conservation District, an entity with which the project team is actively collaborating regarding modeling of flow changes in the streams and storm channels around the project area (see "Project Summary"). Permissions and permits are expected by early 2024 which would allow the Eden Landing project to be completed in 2028.

The Eden Landing and Mountain View projects will beneficially reuse clean dirt (material) from upland excavation/construction areas to enhance project levees and build habitat transition slopes. This no-cost method of securing clean fill material is already being successfully implemented at the Mountain View Project site and two other SBSPR Project Phase 2 sites.

The Eden Landing project will test the effectiveness of a gravel beach and berm feature outboard of the bayfront levee. This feature is intended to protect the shoreline from on-going and sea-level rise induced erosion and to provide shorebird habitat (Exhibit 2). If effective, this feature could be scaled up to protect the entirety of the Eden Landing shoreline, providing protection to existing and restoring tidal marshes and open water pond habitats. The Eden Landing project includes performance monitoring of this feature that will be made available via the SBSPR Project website to help inform other entities implementing constructed beach projects in San Francisco Bay.

3. Project includes a serious effort to engage tribes. Examples of tribal engagement include good faith, documented efforts to work with tribes traditionally and culturally affiliated to the project area.

As part of the preparation of the Final Environmental Impact Report for the Eden Landing Phase 2 Project, CDFW reached out to Tribes to inform them of the project and potentially initiate consultation pursuant to California Assembly Bill 52 (AB 52). Specifically, on April 21, 2017, CDFW notified eight Native American Tribes in writing and included a brief description of the project and invited Tribes to provide information or concerns specific to the project area generally or project specifically. No responses were received.

On March 17, 2017, the Coastal Conservancy reached out to nine Native American Tribes in writing to inform them about the SBSPR Project Phase 2 actions occurring on properties owned by the U.S. Fish and Wildlife Service, including Ponds A1 and A2W at Mountain View. The letter provided a brief description of the project and invited Tribes to provide information or concerns specific to the project area. No responses were received.

To extend these initial Tribal outreach efforts, SBSPR Project partners are currently in the process of contacting Tribes and indigenous communities that may have an interest in the SBSPR Project. For Eden Landing, a recent effort was made to identify interest by East Bay Ohlone people to participate in developing interpretive signage content that will include the history of indigenous salt-making around Eden Landing. The plan is to begin a conversation to understand potential opportunities for working together not only on Eden Landing salt-making history messaging, but to determine if the entire SBSPR Project might have other ways of serving Tribal and indigenous interests. A Tribal group is currently providing input on the design and content of signage at the Ravenswood ponds restoration project, also part of Phase 2 of the SBSPR Project.

4. Project benefits will be sustainable or resilient over the project lifespan.

The primary climate change risk to the SBSPR Project is sea-level rise that may lead to flooding and conversion from vegetated marsh area to open water habitat. The Eden Landing and Mountain View projects are on track to getting marsh established before rates of sea-level rise are predicted to rise substantially which will improve the long-term persistence of restored marsh habitat.

Transition slopes established at both project sites will increase the longevity of the restored tidal marshes by providing space for the marshes to migrate upslope as sea levels continue to

rise. Transition slopes also protect the levees behind them from scour and erosion, adding to a levee's useful life and reducing short-and long-term maintenance needs. Marshes are also more resilient to sea-level rise than managed pond levees, which – if near open bay waters – would need ever more maintenance and improvement to keep pace with higher tides. Consequently, the Eden Landing project design includes tidal restoration of the ponds directly adjacent to open bay waters, saving the more inland ponds for managed pond enhancements. The improvements to the inboard levees are being made somewhat wider than would be strictly necessary at the present time. This provides a base for future elevation increases and enables future adaptive responses that would be under the purview of the Alameda County Flood Control and Water Conservation District.

5. Project delivers multiple benefits and significant positive impact.

Increasing the amount and quality of wetland habitats is necessary to recover many threatened and endangered species whose populations have been severely reduced due to widespread habitat loss throughout San Francisco Bay. The proposed authorization would facilitate the restoration of these lost habitats. Furthermore, restored marshes will improve water quality by absorbing nutrients and contaminants and increasing tidal circulation.

The Eden Landing and Mountain View projects will reduce flood risk with upland transition slopes and marsh habitat that dampens tidal forces that can damage infrastructure and flood communities. Furthermore, the Eden Landing project includes enhancements to multiple levees to create redundant lines of defense from coastal flooding.

The local communities around Eden Landing and Mountain View will also benefit from increased access to the shoreline with the development of new trails and interpretive features developed as part of both projects.

6. Project planned with meaningful community engagement and broad community support.

Substantial public involvement is essential to engender support and sustain stewardship of a long-term restoration project such as the SBSPR Project. The SBSPR Project has a dedicated outreach specialist from the Consensus and Collaboration Program of Sacramento State that has helped oversee outreach efforts for the SBSPR Project since it was initiated in 2003. As described in "Project Summary", the outreach specialist in coordination with the project team is expanding outreach to better understand how project design and operation at Eden Landing can support the interests of previously under-represented groups.

The SBSPR Project partners routinely meet with local jurisdictions and elected officials, speak with media outlets, participate in regional planning efforts, and hold public meetings about the SBSPR Project to increase understanding about the value and importance of wetland restoration. A stakeholder meeting and tour is held every two years to formally present current information about SBSPR Project planning, construction, and science to interested parties and the public and solicit their input. The SBSPR Project also maintains a website that informs the public about project activities, contains information about wetland restoration and tidal marsh habitat, and is a repository for data, maps, and published reports that are generated through the project. Letters of support for the Mountain View project were included in the May 26,

2016 Staff Recommendation authorizing funding for that project. New letters of support are included in Exhibit 6.

PROJECT FINANCING

Eden Landing

Coastal Conservancy (this authorization)	\$5,000,000
Coastal Conservancy (June 2021 authorization)	\$7,605,000
U.S. Environmental Protection Agency (this authorization)	\$3,940,911
Additional Anticipated Grant Funding	\$16,000,000
Total Costs	\$32,545,911
Mt. View	
Coastal Conservancy (this authorization)	\$2,000,000
Coastal Conservancy (May 2016 authorization)	\$800,000
San Francisco Bay Restoration Authority	\$4,000,000
California Department of Water Resources (May 2016 authorization)	\$4,681,318
U.S. Environmental Protection Agency	\$1,500,000
U.S. Fish and Wildlife Service (May 2016 authorization)	\$951,260
Pacific Gas and Electric Company	\$40,685
Additional Anticipated Grant Funding	\$5,000,000
Total Costs	\$18,973,263

It is anticipated that the Conservancy's funding will come from an FY22/23 appropriation of General Funds to the Conservancy for the Climate Ready Program, \$30 million of which shall be available for projects in the San Francisco Bay Area, for nature-based projects to address sea level rise. The proposed authorization qualifies for use of these funds because it will restore tidal marsh habitat with adjacent habitat transition slopes that are resilient to the effects of sea level rise and will provide shoreline protection for infrastructure and communities.

CONSISTENCY WITH CONSERVANCY'S ENABLING LEGISLATION:

This project will be undertaken pursuant to Chapter 3 of the Conservancy's enabling legislation, Public Resources Code Sections 31113 that authorizes the Conservancy's Climate Ready Program.

Pursuant to Section 31113(b), the Conservancy may undertake projects that reduce greenhouse gas emissions, address sea level rise, storm surge, and flooding that threatens coastal communities, infrastructure, and natural resources. The Eden Landing and Mountain View projects will restore tidal marsh habitat that has been shown through research to be highly effective at sequestering greenhouse gases that cause climate change. The marshes will also

buffer shorelines, helping reduce flood and erosion impacts that will be exacerbated by sea level rise.

Consistent with Section 31113(c), the authorized funding will be awarded to Ducks Unlimited, a nonprofit organization that will use the funding to restore tidal marsh, a habitat type that has been significantly reduced in area throughout the San Francisco Bay Estuary over the past century. It is necessary to restore this habitat in order to conserve endangered species such as the Ridgway's Rail and salt marsh harvest mouse and to protect regional biodiversity.

The Eden Landing and Mountain View projects are consistent with Section 31113(d) because they will: (A) restore tidal marsh with broad upland transition slopes that protect levees and adjacent shorelines from erosion that will be exacerbated by the effects of climate change; (B) provide multiple benefits including habitat for numerous native species, flood risk management, and recreational opportunities along newly created sections of the Bay Trail; and (C) restore 2,000 acres of tidal marsh with areas of shallow water habitat that provide critical feeding and nursery habitat for juvenile fish such as steelhead; and the Eden Landing project will enhance managed ponds that provide foraging and resting habitat for thousands of migratory waterfowl and shorebirds.

CONSISTENCY WITH CONSERVANCY'S 2023-2027 STRATEGIC PLAN GOAL(S) & OBJECTIVE(S):

Consistent with **Goal 2.4**, the proposed projects at Eden Landing and Mountain View will create over 5 miles of accessible new Bay Trail as well as a community connector trail to increase public access to the shoreline for local residents and visitors throughout the Bay Area and beyond.

Consistent with **Goal 2.5**, public access amenities will include benches and interpretive signage that identifies and describes tribes with ancestral ties to project lands.

Consistent with **Goal 3.2**, the proposed projects at Eden Landing and Mountain View together will enhance 800 acres of managed ponds and restore 2,000 acres of tidal marsh that provides climate change resilient habitat for several threatened and endangered species.

CEQA COMPLIANCE:

Actions included in this proposed authorization were evaluated in the Final Environmental Impact Report, South Bay Salt Pond Restoration Project, Eden Landing Phase 2 (Final Eden Landing Phase 2 EIR) which was certified by the California Department of Fish and Wildlife in May 2019 pursuant to the California Environmental Quality Act ("CEQA"). The Conservancy made findings on the Final Eden Landing Phase 2 EIR at its May 16, 2019 meeting as part of an authorization of funding for design and permitting of the Phase 2 SBSP Restoration Project at Eden Landing. The actions proposed in this authorization remain consistent with those findings.

Other actions considered in this proposed authorization were evaluated as part of the <u>Final</u> <u>Environmental Impact Statement/Report, Phase 2 South Bay Salt Pond Restoration Project,</u>
April 2016 (Final Phase 2 EIS/R). The Conservancy made findings on the Final Phase 2 EIS/R at its

May 16, 2016 meeting (Exhibit 5) as part of an authorization that provided construction funding for the Phase 2 projects at Alviso and Ravenswood. The actions proposed in this authorization remain consistent with those findings.

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