

COASTAL CONSERVANCY

Staff Recommendation
September 14, 2023

SOUTH SAN FRANCISCO BAY SHORELINE PHASE 3 STUDY

Project No. 02-070-08
Project Manager: Evyan Borgnis Sloane

RECOMMENDED ACTION: Authorization to enter into a Feasibility Cost Share Agreement with the U.S. Army Corps of Engineers and the Santa Clara Valley Water District for a federal feasibility study for the Santa Clara County shoreline from Mountain View Slough/Permanente Creek in the City of Mountain View to Guadalupe River in the City of San Jose.

LOCATION: Cities of Mountain View, Sunnyvale, and San Jose in Santa Clara County

EXHIBITS

- Exhibit 1: [Project Area](#)
 - Exhibit 2: [Project Location Map](#)
 - Exhibit 3: [Santa Clara County Flood Risk Map](#)
 - Exhibit 4: [Feasibility Cost Share Agreement](#)
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RESOLUTION AND FINDINGS

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

Resolution:

The State Coastal Conservancy hereby authorizes the Executive Officer to enter into a Feasibility Cost Share Agreement (FCSA) with the U.S. Army Corps of Engineers and the Santa Clara Valley Water District for a federal feasibility study for the Santa Clara County shoreline from Mountain View Slough/Permanente Creek in the City of Mountain View to Guadalupe River in the City of San Jose.

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 4.5 of Division 21 of the Public Resources Code, regarding the Conservancy's mandate to address the resource and recreational goals of San Francisco Bay Area.
 2. The proposed project is consistent with the current Conservancy Project Selection Criteria.
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STAFF RECOMMENDATION

PROJECT SUMMARY:

In 2006, the Conservancy, Santa Clara Valley Water District (formerly SCVWD, now referred to as Valley Water), and the U.S. Army Corps of Engineers (USACE) embarked on the South San Francisco Bay Shoreline Study (Shoreline Study). The purpose of the Shoreline Study was to analyze the existing flood threat, potential for restoration or enhancement of wetland resources, and opportunities for public recreation along the Santa Clara County shoreline, from San Francisquito Creek to Coyote Creek (designated Economic Impact Area or "EIA" 1 – EIA 11 in the attached Exhibit 1), and to develop recommended actions that could be federally funded. The Conservancy participated in the Shoreline Study because its geographic scope overlapped with the South Bay Salt Pond (SBSP) Restoration Project and completing the Shoreline Study with the USACE and Valley Water created an opportunity for the USACE to provide federal funding for implementation of the restoration, flood protection, and public recreation goals of the SBSP Restoration Project in the geographic area of the Study.

In 2011, due to delays, the geographic focus of the Shoreline Study was narrowed to a high flood risk area that also presented significant opportunities for wetland restoration: the Alviso area between the Guadalupe River (which becomes Alviso Slough below the Gold Street Bridge) and Coyote Creek (EIA 11 in the attached Exhibit 1). The Alviso-focused Shoreline Study was completed in December 2015. The Shoreline Study contained specific recommendations for federal cost sharing of a project that would restore 2,900 acres of tidal wetlands (the majority is within the footprint of the SBSP Restoration Project acquisition area), construct new San Francisco Bay Trail segments, and provide tidal flood risk management to the Alviso community in the City of San Jose. The Shoreline Study became the Shoreline "Project" when Congress authorized construction of the recommended plan in 2016. The Conservancy reviewed the Shoreline Project and its associated Environmental Impact Report as a responsible agency under the California Environmental Quality Act on March 22, 2018. Construction of the first levee segment is currently under construction and expected to be completed in summer of 2025.

The second phase, the South San Francisco Bay Shoreline Phase 2 Feasibility Study (Phase 2 Study), focused on the flood risk area along the Santa Clara County shoreline between San Francisquito Creek and Permanente Creek (EIAs 1-4 in the attached Exhibit 1). The Conservancy authorized entering into an FCSA with Valley Water and the USACE on August 22, 2019. The Phase 2 Study was stopped in 2022 as the USACE analysis determined that EIAs 1-4 are not predicted to experience significant coastal flood damages until late in the study period, i.e., 2080. Because of this, a proposed project would not be competitive nationally for congressional funding and USACE made the difficult decision to close the Phase 2 Study. The USACE has stated

that a feasibility study including EIAs 1-4 can be completed in the future. Valley Water is continuing to work with USACE to clearly document optimal timing for revisiting the Phase 2 Study so that it can be completed far in advance of any expected future coastal flood damages.

The third phase, the South San Francisco Bay Shoreline Phase 3 Feasibility Study (Phase 3 Study), focuses on investigating the threats from coastal flooding and the opportunities for environmental restoration and recreation improvements for the Santa Clara County shoreline between Mountain View Slough/Permanente Creek in the City of Mountain View to Guadalupe River in the City of San Jose (EIAs 5-10 in the attached Exhibits 1 & 2). This recommendation would allow the Conservancy to join the signed FCSA between Valley Water and the USACE (Exhibit 4). Similar to the first two Shoreline Studies, the Phase 3 Study will outline a set of actions eligible for federal cost sharing that will address habitat restoration and enhancement, flood risk reduction, and recreation.

Valley Water prepared a Preliminary Feasibility Study for South San Francisco Bay Shoreline for this area. The analysis showed that many residential, commercial, and industrial properties are at risk of coastal flooding (Exhibit 3). It also showed that there are significant restoration opportunities in the shoreline ponds, but that restoration and enhancement projects cannot proceed because of the existing flood risk. Measures to protect the adjacent Silicon Valley business and critical infrastructure, such as treatment plants, would need to be in place before pond berms can be breached to allow for tidal wetland restoration.

The Shoreline Phase 3 Feasibility Study will include the U.S. Fish and Wildlife Service's Ponds A2W, AB1, A2E, AB2, A3W, and A8-complex and Valley Water's Pond A4 that were part of the 2003 SBSP Restoration Project acquisition. The Shoreline Phase 3 Feasibility Study will focus on those areas that do not currently have specific projects proposed as either part of the SBSP Restoration Project or other efforts to address shoreline adaptation, and can therefore recommend complementary actions that help implement the goals of these ongoing efforts. Furthermore, future Shoreline Project components are intended to be included under the SBSP Restoration Project's long-term Adaptive Management Plan.

Although the FCSA obligates both non-federal sponsors to pay the non-federal share of the Shoreline Phase 3 Feasibility Study, the Conservancy is not contributing to the required non-federal share at this time. Valley Water will provide the \$1.5 million required non-federal share. However, as planning proceeds, if technical analyses required by the Phase 3 Feasibility Study are determined to be a high priority for the Conservancy to complete, Conservancy staff will seek Conservancy authorization to fund those technical analyses at that time. This would reduce Valley Water's required contribution to the non-federal cost share.

Site Description: The Shoreline Phase 3 Feasibility Study will focus on the Santa Clara County shoreline from Mountain View Slough/Permanente Creek in the City of Mountain View to Guadalupe River in the City of San Jose. As shown in Exhibit 1, the Study will include EIAs 5-10 extending along the shorelines of Moffett Federal Airfield, City of Sunnyvale, and portions of the cities of Mountain View and San Jose. The Study will include the U.S. Fish and Wildlife Service's Ponds A2W, AB1, A2E, AB2, A3W, and A8-complex and Valley Water's Pond A4 that were part of the 2003 SBSP Restoration Project acquisition.

Project Partner Qualifications: Valley Water has been a non-federal sponsor to all three phases of the Shoreline Project since 2006. Since 2006, Valley Water has successfully managed all the non-federal sponsors' reimbursement requests from the USACE including Reaches 1-3 construction reimbursements which began in 2019.

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 Phase 3 Study is a good investment of state resources as it will perform technical analyses needed to develop recommended habitat restoration, flood risk management, and recreation alternatives that could be federally funded. The State will not provide funds at this time unless additional technical analyses are identified as a high priority or the study moves to the next phase of Congressional authorization.

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

Valley Water and the USACE are conducting the study because the shoreline is highly vulnerable to impacts from flooding and loss of habitat and recreation. The Phase 3 Study will assess the degree of risk and outline opportunities to address these risks. Since tidal wetlands are particularly vulnerable to sea level rise, the Conservancy seeks to complete and implement this study as quickly as possible. Once a restored tidal marsh becomes vegetated, it is an efficient sediment trap, and has an improved chance of keeping pace with sea level rise.

4. Project delivers multiple benefits and significant positive impact.

The Phase 3 Study will develop a set of recommended actions that would serve as the basis of a multi-benefit habitat enhancement and flood risk management project. The Phase 3 Study will identify flood risk along areas of the South Bay shoreline where communities have been historically excluded from government investment and protection. The potential restoration and enhancement opportunities are at a sufficient scale that some of the ecological structure, function, and connectivity that has been lost in San Francisco (SF) Bay would be regained. The restored habitat would benefit the recovery of protected wetland species and help restore ecological functions as well as decrease water turbidity, improve water quality, and improve the physical health of the overall SF Bay. Providing integrated flood risk management results in critical health, safety, and environmental benefits to residents and businesses. Public access will also be a key component of any proposed project from the study with a goal of further connecting and enhancing existing Bay Trail along the South SF Bay.

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

The Phase 3 Study would help implement the goals of the SBSP Restoration Project which is supported by Senator Dianne Feinstein, the Richard and Rhoda Goldman Fund, the William and Flora Hewlett Foundation, the Gordon E. and Betty I. Moore Foundation, the David and Lucile Packard Foundation, Resources Legacy Fund, the California Natural Resources Agency, California Department of Fish and Wildlife, USFWS, Valley Water, the San Francisco Bay Joint Venture, Save The Bay, The Bay Institute, National Audubon Society, Citizen’s Committee to Complete the Refuge, Cargill, and many other agencies, organizations, and individuals.

PROJECT FINANCING

Coastal Conservancy	\$0
Santa Clara Valley Water District	\$1,500,000
U.S. Army Corps of Engineers	\$1,500,000
Project Total	\$3,000,000

The Conservancy does not anticipate contributing directly to the Shoreline Phase 3 Feasibility Study costs other than in-kind staff costs to participate in planning efforts. If the need for Conservancy funding arises, Conservancy staff will seek Conservancy authorization for funding.

CONSISTENCY WITH CONSERVANCY’S ENABLING LEGISLATION:

This project will be undertaken pursuant to Chapter 4.5 of the Conservancy’s enabling legislation, Public Resources Code Sections 31160-31165, to address resource goals in the San Francisco Bay Area.

The Shoreline Phase 3 Feasibility Study is within the nine-county Bay Area as required under Section 31162 of the Public Resources Code.

Under Section 31162(a), the Conservancy may undertake projects to improve public access to and around the Bay, without having a significant adverse impact on environmentally sensitive areas and wildlife, such as wetlands, through completion of regional trails, local trails connecting to population centers and public facilities and which are part of a regional trail system, and through the provision of related facilities. The Shoreline Phase 3 Feasibility Study will evaluate the potential for public access improvements.

Under Section 31162(b), the Conservancy may act to protect, restore, and enhance natural habitats and connecting corridors, watersheds, scenic areas, and other open-space resources of regional significance. The Shoreline Phase 3 Feasibility Study will analyze the potential for tidal wetland restoration and other habitat enhancements that would help implement the goals of the SBSP Restoration Project, a wetland restoration project of national significance, as well as help implement other regional wetland restoration goals.

Under Section 31162(d), the Conservancy may act to promote, assist, and enhance projects that provide open space and natural areas that are accessible to urban populations for recreational and educational purposes. The Shoreline Phase 3 Feasibility Study will consider ways to make

shoreline open space accessible to residents of the South Bay, as well as to residents of the entire Bay Area.

The project is consistent with Sections 31163(a) and (b), directing the Conservancy to participate in and support interagency actions and public/private partnerships in the San Francisco Bay Area to implement long-term resources and outdoor recreational goals.

Consistent with Section 31163(c), the project meets the following criteria: it (1) is supported by adopted regional plans (San Francisco Bay Plan, Baylands Ecosystem Habitat Goals Report (1999) pp. 97, 126-139, Baylands Goals Update (2015) pp. 198, 203, and the San Francisco Basin (Region 2) Water Quality Control Plan (June 29, 2013) pp. 2-2 and 4-92), (2) is multijurisdictional (involves multiple agencies) and serves a regional constituency by planning to implement regional restoration, flood protection, and recreation goals, (3) can be implemented in a timely way, (4) provides opportunities for habitat, flood protection, and public access benefits that could be lost if the project is not quickly implemented, and (5) includes matching funds from other sources of funding as described above in the "Project Financing" section.

The Conservancy is authorized to fund and undertake plans and feasibility studies under Public Resources Code Section 31111.

CONSISTENCY WITH CONSERVANCY'S [2023-2027 STRATEGIC PLAN](#):

Consistent with **Goal 2.4 Build Trails**, the proposed project will develop alternatives to enhance and expand existing Bay Trail and other public access amenities across the project area.

Consistent with **Goal 3.2 Restore or Enhance Habitats**, the proposed project will develop alternatives to enhance and restore wetland habitats along the South SF Bay.

Consistent with **Goal 4.1 Sea Level Rise Adaptation**, the proposed project will develop alternatives for a coastal flood risk management and restoration project that will protect shoreline communities and infrastructure from the impacts from present day flood and sea level rise.

CEQA COMPLIANCE:

As a feasibility and planning activity, under 14 California Code of Regulations Section 15262, this project is categorically exempt from CEQA review. Similarly, 14 Cal. Code of Regulations Section 15306 exempts basic data collection, research, and resource-evaluation activities which do not result in a serious or major disturbance to an environmental resource.

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