COASTAL CONSERVANCY

Staff Recommendation
February 15, 2024

POND A4 HABITAT RESTORATION PROJECT

Project No. 23-099-01
Project Manager: Laura Cholodenko

RECOMMENDED ACTION: Authorization to disburse up to five million ($5,000,000) dollars to Valley Water for the restoration of 40 acres of mudflat and shallow water habitat in Pond A4 to benefit shorebirds, enhance recreation, and facilitate future tidal wetland restoration along the shoreline of San Francisco Bay in Santa Clara County.

LOCATION: Pond A4 in the City of Sunnyvale, Santa Clara County

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EXHIBITS

Exhibit 1: Project Location Map

Exhibit 2: Project plans and photographs

Exhibit 3: 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 five million dollars ($5,000,000) to Valley Water ("the grantee") for the restoration of 40 acres of mudflat and shallow water habitat in Pond A4 to benefit shorebirds, enhance recreation, and facilitate future tidal wetland restoration along the shoreline of San Francisco Bay in 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.

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 resources and recreational goals of the San Francisco Bay area.
2. The proposed project is consistent with the current Conservancy Project Selection Criteria.

STAFF RECOMMENDATION

PROJECT SUMMARY:

Staff recommends disbursement of up to five million dollars ($5,000,000) to Valley Water for the restoration of 40 acres of mudflat and shallow water habitat in Pond A4, a 300-acre managed pond and former salt production pond in Sunnyvale, along the shoreline of South San Francisco Bay (Exhibit 1). The restored mudflat and shallow water will provide feeding and resting areas for shorebirds adjacent to a heavily used segment of the San Francisco Bay Trail. The restored habitat will enhance the trail user experience by increasing opportunities to view wildlife along this part of the shoreline. The project will include installation of interpretive signs along the Bay Trail that describe the shorebirds and other wildlife using the project area.

Approximately two-thirds of shorebirds that migrate along the West Coast of North America stop to rest and feed in San Francisco Bay. Most species of shorebirds in San Francisco Bay forage on intertidal mudflats at low tide and use managed ponds with depths of less than 6 inches to roost and feed during high tide. Almost all of Pond A4 has water depths exceeding 3 feet and there is a very minimal amount of shallow water habitat that is suitable for shorebirds.

To create mudflat and shallow water habitat in Pond A4, Valley Water will place up to 400,000 cubic yards of sediment from their Stream Maintenance Program as well as from other sources into the 40-acre restoration area. The project will allow Valley Water to beneficially use the sediment for habitat restoration rather than disposing of it in a landfill. Sediment brought to the project site will meet Regional Water Quality Control Board standards. The sediment will raise the pond bottom elevations to be even with and slightly below existing water surface elevations in Pond A4.

The area planned for restoration is approximately 350 feet wide and 4,500 feet long (Exhibit 2). Access to the restoration site will be along a 1,100-foot-long surfaced access road on the Sunnyvale East Channel levee. Although most of the levee road is wide enough for two-way haul truck traffic, a 120-foot segment of the levee road will be widened as part of the project. In addition, a 1.5-acre truck turnaround and material storage area will be constructed at the southern margin of Pond A4 (Exhibit 2, Figure 2). These improvements will enable trucking the

large amount of sediment necessary to do the restoration work. Valley Water is currently in the process of obtaining permits for the project from regulatory agencies.

Valley Water's long-term goal for Pond A4 is to make the pond fully tidal so that the entire 300-acre area can be restored to tidal marsh. Tidal restoration of Pond A4 is being evaluated as a component of a separate project called the Calabazas and San Tomas Aquino Creek-Marsh Connection Project (Calabazas-STA Project). The Calabazas-STA Project proposes to reconnect Pond A4 and adjacent Pond A8 with surrounding creeks and sloughs and to transport up to 4 million cubic yards of sediment into the ponds to raise their bottom elevations sufficient to support tidal marsh vegetation. The Pond A4 Habitat Restoration Project area would transition into tidal marsh habitat if Pond A4 is made fully tidal as part of the larger Calabazas-STA Project.

Site Description:

Pond A4 is bordered to the north and east by Guadalupe Slough, to the west by the Moffett Channel (which flows into Guadalupe Slough) and to the south by the Sunnyvale Water Pollution Control Plant, a closed landfill, and Sunnyvale Baylands Park. A 6,000-foot segment of the San Francisco Bay Trail is located on an earthen levee at the southern boundary of Pond A4 (Exhibit 2, Figure 2).

Historically, Pond A4 was part of a broad complex of tidal marsh that extended across the southern edge of South San Francisco Bay. In the early 1900s, the area was dredged and diked, converting the marsh into open water ponds for salt production. Valley Water purchased Pond A4 from the Cargill Corporation in 2000. Most of the pond is several feet deep and has very limited hydrologic exchange with adjacent ponds. Pond A4 provides habitat for ducks but there is less than 2 acres of shallow water habitat found around the edge of the pond that supports shorebirds.

Grant Applicant Qualifications:

As the water resources stewardship and flood risk management agency for Santa Clara County, Valley Water is qualified to lead this project. Valley Water is actively participating in three other wetland restoration projects including the Calabazas-STA Project (described above), the South Bay Salt Pond Restoration Project, and the South San Francisco Bay Shoreline Project. All of these projects include ecological restoration, flood protection, and public access in South San Francisco Bay.

Valley Water has a centralized Grants and Claims unit that manages the administration of all state and federal grants awarded to the agency. In fiscal year 2023, Valley Water received over $39 million in reimbursements from various local, state, and federal funding agencies.

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 project leverages over $2 million in match funding from Valley Water. Using sediment from Valley Water's Stream Maintenance Program and other sources will reduce construction costs and divert material that would otherwise be brought to local landfills.

The project will substantially increase the area of shallow water foraging habitat in Pond A4 that supports invertebrate food sources, benefiting approximately 17 species of shorebirds. The western snowy plover, a federally threatened species, is expected to benefit by the increase in foraging habitat close to known nest sites. The project may also function as a near-term step in the restoration of tidal marsh at Pond A4 that would benefit numerous threatened and endangered species of fish and wildlife. The restoration of tidal marsh is a priority action of several state and local conservation plans, including the Baylands Ecosystem Habitat Goals Science Update (2015) and the Recovery Plan for Tidal Marsh Ecosystems of Northern and Central California (2013).

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

The project is designed to maximize habitat value given the existing water surface elevations of Pond A4. Because the pond has limited hydraulic connectivity with nearby water bodies, surface water elevations are not subject to change due to sea level rise. Therefore, habitat benefits are expected to be resilient. If Pond A4 is eventually opened to full tidal flows, the previously restored mudflat and shallow water area will be able to transition into tidal marsh relatively quickly because it will be at or near the right elevation to support emergent marsh vegetation.

4. Project delivers multiple benefits and significant positive impact.

The restored habitat will attract large numbers of shorebirds, particularly during spring and fall migration. Large numbers of dabbling ducks will also forage in the shallow water areas created by the project.

The restored habitat will be in proximity to the San Francisco Bay Trail, enhancing trail user's experience, especially those who seek bird viewing opportunities. Several systemically excluded communities are adjacent to the project site, including the community of Alviso (Exhibit 2, Figure 1). These communities will benefit from the enhanced public access, including interpretive signs, provided by the project.

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

Valley Water has informally consulted with local stakeholders, including the US Fish and Wildlife Service, City of Sunnyvale, San Francisco Bay Conservation and Development Commission, Valley Transportation Authority, Santa Clara County Bicycle and Pedestrian Advisory Commission, local dirt brokers, and others about the Pond A4 Habitat Restoration

Project. These outreach efforts have provided meaningful input for project planning. Valley Water plans to continue and expand these outreach efforts, including consultation with local Native American tribes and bands, during project planning and design. Letters of support for the project are included in Exhibit 3.

Valley Water is a Special District chartered by the State of California governed by a publicly elected Board of Directors. All Board Meetings are held in conformance with the Brown Act which requires advance notice of agenda items and opportunity for public input. Valley Water has specific policies to facilitate public engagement by all members of the community, including policies requiring accommodations for disabled community members and those with limited English proficiency. During development and implementation of the Pond A4 Habitat Restoration Project, the project team will implement these policies to the extent possible, promoting and encouraging collaboration with community members, with special emphasis on robust engagement with systemically excluded communities in the area surrounding the project site and Native American groups with historic ties to the area.

PROJECT FINANCING

Coastal Conservancy	**$5,000,000**
Valley Water	$2,300,000
Project Total	**$7,300,000**

It is anticipated that the Conservancy's funding will come from an FY 2023/2024 appropriation of General Funds to the Conservancy for "urgent sea level rise adaptation and coastal resilience needs using nature-based strategies and other solutions" (Budget Act 2023, Chapter 38, Statutes of 2023 (AB102)). The proposed project is consistent with this funding source as it will increase the amount of sea level rise resilient habitat that is available to shorebirds by beneficially reusing sediment.

Unless specifically identified as "Required Match," the other sources of funding and in-kind contributions described above are estimates. The Conservancy does not typically require matching funds or in-kind services, nor does it require documentation of expenditures from other funders or of in-kind services. Typical grant conditions require grantees to provide any funds needed to complete a project.

CONSISTENCY WITH CONSERVANCY'S ENABLING LEGISLATION:

The proposed project is consistent with Section 31162 of Chapter 4.5 of Division 21 of the Public Resources Code which authorizes the Conservancy to undertake projects consistent with the San Francisco Bay Area Conservancy Program. Specifically, the project is consistent with:

Subsection (a) to "improve public access to, within, and around the bay, coast, ridgetops, and urban open spaces […]", the proposed project will improve public access by increasing opportunities to view wildlife adjacent to a section of the San Francisco Bay Trail.

Subsection (b) to "protect, restore, and enhance natural habitats and connecting corridors, watersheds, scenic areas, and other open-space resources of regional importance", the proposed project will enhance wetland habitat for shorebirds and may facilitate future restoration of the project site to tidal marsh.

Subsection (d) 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 proposed project enhances natural areas within close proximity to systemically excluded communities.

CONSISTENCY WITH CONSERVANCY'S 2023-2027 STRATEGIC PLAN:

Consistent with **Goal 3.2 Restore or Enhance Habitats,** the proposed project will enhance 40 acres of mudflat and shallow water habitat to benefit shorebirds.

Consistent with **Goal 4.1 Sea Level Rise Adaptation Projects,** the proposed project will support beneficial reuse of sediment to create shorebird habitat that is resilient to sea level rise.

CEQA COMPLIANCE:

The project is statutorily exempt from the California Environmental Quality Act, per Public Resource Code Section 21080.56. This section exempts projects that conserve, restore, protect, or enhance, and assist in the recovery of California native fish and wildlife, and the habitat upon which they depend. As the Lead Agency, Valley Water found that:

A) The Pond A4 Habitat Restoration Project is exclusively intended to restore and assist in the restoration of habitat for California native fish and wildlife.

B) The Pond A4 Habitat Restoration Project will incidentally provide public benefits, by enhancing wildlife viewing opportunities adjacent to an existing trail.

C) The Pond A4 Habitat Restoration Project (1) will have long-term climate resiliency benefits by restoring shallow water habitat that is resilient and could transition into tidal wetlands and transitional upland habitats that buffer the shoreline from sea level rise and 2) will include procedures and ongoing management for the protection of the environment.

Pursuant to section 21080.56(e), Valley Water staff sought concurrence from the Director of the California Department of Fish and Wildlife that the project is exempt. The Director of the California Department of Fish and Wildlife concurred that that the project is exempt from CEQA on February 5, 2024.

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