

COASTAL CONSERVANCY

Staff Recommendation

April 18, 2024

**SOUTH BAY SALT POND RESTORATION PROJECT PHASE 2:
EDEN LANDING AND ALVISO IMPLEMENTATION**

Project No. 02-070-05

Project Manager: Laura Cholodenko

RECOMMENDED ACTION: Authorization to disburse: 1) up to \$2,200,000 to Ducks Unlimited, Inc. to restore tidal marsh and enhance managed ponds; 2) up to \$410,000 to the California Wildlife Foundation to implement monitoring and project outreach; 3) up to \$150,000 to the Aquatic Science Center to manage the lead scientist and website; and 4) up to \$240,000 for executive project management as part of Phase 2 of the South Bay Salt Pond Restoration Project in Alameda, San Mateo, and Santa Clara Counties.

LOCATION: San Francisco Bay shoreline in San Mateo, Santa Clara, and Alameda counties

EXHIBITS

- Exhibit 1: [Project Locations](#)
 - Exhibit 2: [June 1, 2023 South Bay Salt Pond Restoration Project Phase 2: Eden Landing and Mountain View Implementation Staff Recommendation](#)
 - Exhibit 3: [Pond A8 Design](#)
 - Exhibit 4: [May 27, 2021 South Bay Salt Pond Restoration Project Phase 2: Eden Landing Construction, Adaptive Management, and Project Management Staff Recommendation](#)
 - Exhibit 5: [May 26, 2016 South Bay Salt Pond Restoration Project: Phase 2 Implementation Staff Recommendation](#)
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RESOLUTION AND FINDINGS

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

Resolution:

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The State Coastal Conservancy hereby authorizes augmentation of five grants and one contract, totaling an amount not to exceed three million dollars (\$3,000,000) collectively, to Ducks Unlimited, Inc., the California Wildlife Foundation, the Aquatic Science Center, and one contractor to implement Phase 2 of the South Bay Salt Pond Restoration Project, subject to adjustment among the grantees and contractor by the Executive Officer: 1) up to \$2,200,000 to Ducks Unlimited, Inc. to restore tidal marsh and enhance managed ponds, 2) up to \$410,000 to the California Wildlife Foundation to implement monitoring and project outreach, 3) up to \$150,000 to the Aquatic Science Center to manage the lead scientist and website, and 4) up to \$240,000 for executive project management.

Prior to commencement of the project, Ducks Unlimited, Inc. 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, Ducks Unlimited, Inc. shall enter into and record an agreement pursuant to Public Resources Code 31116(d) sufficient to protect the public interest in the improvements.

Prior to commencement of the project, California Wildlife Foundation 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.

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

4. A detailed work program, schedule, and budget.
5. Names and qualifications of any contractors to be retained in carrying out the project.
6. A plan for acknowledgement of Conservancy funding.

Findings:

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

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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.
3. Ducks Unlimited, Inc. and the California Wildlife Foundation are nonprofit organizations organized under section 501(c)(3) of the U.S. Internal Revenue Code.

STAFF RECOMMENDATION

PROJECT SUMMARY:

Staff recommends the Conservancy authorize disbursement, subject to adjustment among the grantees and contractor by the Executive Officer, of up to: 1) \$2,200,000 to Ducks Unlimited, Inc. (DU) to restore tidal marsh and enhance managed ponds habitat; 2) \$410,000 to the California Wildlife Foundation (CWF) to implement monitoring and project outreach; 3) \$150,000 to the Aquatic Science Center (ASC) to manage the website and lead scientist; and 4) \$240,000 for executive project management as part of Phase 2 of the South Bay Salt Pond Restoration (SBSPR) Project (Exhibit 1). The division of grant amounts among the grantees and contractor will be determined after construction plans are refined. On June 1, 2023, the Conservancy authorized \$10,940,911 (including a federal \$3.9 million dollar grant) for tidal wetland restoration and managed pond enhancement at the Eden Landing pond complex and at the Mountain View portion of the Alviso pond complex (Exhibit 2). The June 1, 2023 staff recommendation indicated that an additional \$16 million would be needed to complete construction at Eden Landing; of that amount \$7 million has been secured. The June 1, 2023 staff recommendation also indicated that an additional \$5 million would be needed to complete construction at Mountain View; that amount has increased to \$7 million because \$2 million of San Francisco Bay Restoration Authority funding was used to complete construction at the Ravenswood Phase 2 project site, leaving less Authority funding for Mountain View.

Additional funding is now required for construction and additional planning at these project sites as well as the Pond A8 project site, that is also in the Alviso pond complex (Exhibit 1). In Pond A8, DU is creating habitat transition zones to provide high tide refuge for marsh species and marsh migration space as sea levels rise, and to buffer the adjacent landfill from flooding (Exhibit 3).

The additional planning to be funded through this authorization will enable DU to adjust some of the existing restoration project designs. The design changes, particularly at Eden Landing, will streamline project implementation by reducing the number and complexity of land use agreements that are needed to implement the projects. This will allow areas planned for tidal marsh restoration to be reconnected to the tides at the earliest date possible. Expediting restoration is essential in order for sites to accrete enough sediment before rates of sea level rise are projected to increase after 2030. Once a site is close to or at marsh plain elevation, it can revegetate naturally and continue trapping sediment, giving the site a better chance of keeping pace with sea level rise. The planning work associated with making changes to existing

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designs is expected to include hydrodynamic modeling, updates to engineered designs and project permits, and additional environmental review.

The funding will also be used to support construction of the Phase 2 projects. Construction may include levee improvements or repairs, other earthwork (including levee breaching), constructing channels, managing invasive vegetation, installing plants, and seeding levee slopes to create upland transitional habitat for wildlife, and installing new water control structures in managed ponds to enable or improve water circulation. Construction may also include purchase of suitable clean fill material for constructing levee improvements, islands, and habitat transition zones. To date, the SBSPR Project has relied on obtaining dirt for beneficial reuse at no cost to the project, but this requires waiting for nearby upland construction projects that have clean material to be underway and available. For the past year, there have been limited available sources of suitable fill, and for the coming year, there is only one potential source that has been identified.

The SBSPR Project is being implemented through an adaptive management framework that relies on the results of scientific studies and monitoring to help direct each phase of project implementation and help manage the existing project sites. While many key scientific uncertainties identified in the adaptive management plan have been addressed, the trajectory of many resources is uncertain given climate change and the long-term effects of converting managed ponds into tidal marsh at a landscape scale. The project includes funding for the California Wildlife Foundation to conduct essential monitoring and studies in order to adaptively manage the project to benefit wildlife and human communities. The California Wildlife Foundation will also oversee project outreach with funding through this authorization.

The Aquatic Science Center will manage the lead scientist to help oversee the studies being implemented by the California Wildlife Foundation as part of this authorization. The Aquatic Science Center will also maintain the project website, which is the primary tool for disseminating information about the project. Lastly, this authorization provides funding for executive project management.

For more project information on the Phase 2 implementation activities at the Eden Landing and Mountain View ponds please see Exhibits 2 and 4. For more project information on Phase 2 implementation activities at Pond A8 in Alviso please see Exhibits 3 and 5. See Exhibit 4 for a description of SBSPRP science and monitoring, as well as executive project management, website, and lead scientist support.

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). The Mountain View and Pond A8 project areas are in the Don Edwards San Francisco Bay National Wildlife Refuge (Refuge), managed by the U.S. Fish and Wildlife Service (USFWS). The Mountain View project area is immediately north of the City of Mountain View's Shoreline Park, and the A8 project area is immediately north of the City of San Jose (Exhibit 1).

Please see Exhibits 2 and 5 for more details on Site Description.

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Grant Applicant Qualifications: Ducks Unlimited is a nonprofit organization with extensive experience restoring tidal wetlands and habitat for waterfowl and other species. DU is currently completing final designs and permitting for the Eden Landing Phase 2 Project and they are managing ongoing construction of the Ravenswood, Pond A8 and Mountain View Phase 2 SBSPR projects.

The California Wildlife Foundation is a nonprofit organization that was created in 1990 to support open space and wildlife conservation in California. CWF is currently administering science funding for the project in cooperation with the SBSPR Project Management Team and other project partners.

The Aquatic Science Center is a Joint Powers Authority created by the State Water Resources Control Board and the Bay Area's five largest wastewater treatment agencies. ASC is staffed entirely by the San Francisco Estuary Institute, one of California's premier aquatic and ecosystem science institutes. ASC is currently managing the SBSPR Project lead scientist and website.

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.

Please see Exhibit 2.

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.

Please see Exhibit 2.

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

Please see Exhibit 2.

5. Project delivers multiple benefits and significant positive impact.

Please see Exhibit 2.

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

Please see Exhibit 2.

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PROJECT FINANCING

Eden Landing

Coastal Conservancy (this authorization)	\$500,000
Coastal Conservancy (June 2023 authorization)	\$5,000,000
Coastal Conservancy (May 2021 authorization)	\$7,605,000
U.S. Environmental Protection Agency (June 2023 authorization)	\$3,940,911
National Fish and Wildlife Foundation	\$6,976,691
<i>Additional Anticipated Grant Funding</i>	<u><i>\$9,023,309</i></u>
Total Costs	\$33,045,911

Mountain View

Coastal Conservancy (this authorization)	\$1,500,000
Coastal Conservancy (June 2023 authorization)	\$2,000,000
Coastal Conservancy (May 2016 authorization)	\$1,000,000
Ducks Unlimited (San Francisco Bay Restoration Authority)	\$2,000,000
Ducks Unlimited (US EPA)	\$1,500,000
California Department of Water Resources (May 2016 authorization)	\$4,681,318
U.S. Fish and Wildlife Service (May 2016 authorization)	\$951,260
Pacific Gas and Electric Company (May 2016 authorization)	\$40,685
<i>Additional Anticipated Grant Funding</i>	<u><i>\$7,000,000</i></u>
Total Costs	\$20,673,263

Pond A8

Coastal Conservancy (this authorization)	200,000
Coastal Conservancy (Executive Officer Augmentation of May 2016 authorization)	\$947,000
Total Costs	1,147,000

Project Management, Science, Outreach, and Website

Coastal Conservancy (This authorization)	\$800,000
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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

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needs using nature-based strategies and other solutions” (Budget Act 2023, Chapter 38, Statutes of 2023 (AB102)). 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.

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 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 SBSPR Project is within the nine-county Bay Area as required under Section 31162 of the Public Resources Code.

Under Section 31162(b), the Conservancy may undertake projects to protect, restore, and enhance natural habitats and connecting corridors, watersheds, scenic areas, and other open-space resources of regional significance. Consistent with Section 31162(b) the proposed project will provide funding to restore tidal connections to 2,000 acres and will enhance 800 acres of managed pond habitat. As part of the SBSPR Project, these actions will contribute towards completing a wetland restoration project of national significance.

CONSISTENCY WITH CONSERVANCY’S [2023-2027 STRATEGIC PLAN](#) GOAL(S) & OBJECTIVE(S):

Consistent with **Goal 2.4 Build Trails**, the proposed projects at Eden Landing and Mountain View will create up to 4 miles of accessible new sections of the San Francisco Bay Trail, increasing public access to the shoreline for local residents and visitors throughout the Bay Area and beyond.

Consistent with **Goal 2.5 Recreation Facilities & Amenities**, 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 Restore or Enhance Habitats**, 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

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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 based 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 SBSPR Project at Eden Landing. The actions to be funded by this authorization remain consistent with the Final Eden Landing Phase 2 EIR and there are no changed circumstances or new information that require additional CEQA documentation.

Other actions considered in this proposed authorization were evaluated as part of the Final Environmental Impact Statement/Report, Phase 2 South Bay Salt Pond Restoration Project, April 2016 (Final Phase 2 EIS/R). The Conservancy made findings based 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 the Final Phase 2 EIS/R and there are no changed circumstances or new information that require additional CEQA documentation for these actions.

Planning work is exempt from CEQA pursuant to 14 California Code of Regulations Section 15262, which exempts feasibility and planning studies. Science and monitoring is exempt pursuant to 14 Cal Code of Regulations Section 15306, which exempts basic data collection, research and resource evaluation activities that do not result in a serious or major disturbance to an environmental resource. Staff will file a notice of exemption upon approval of the recommended authorization.