

COASTAL CONSERVANCY

Staff Recommendation  
September 5, 2024

**SOUTH SAN FRANCISCO BAY SHORELINE PROJECT**

Project No. 02-070-06  
Project Manager: Shalini Kannan

**RECOMMENDED ACTION:** Authorization to disburse up to \$8,000,000 to Ducks Unlimited, Inc. to construct the South San Francisco Bay Shoreline Project Reaches 1-3 ecotone in Ponds A12 and A13 to restore tidal marsh and upland transition zone habitat adjacent to a flood risk management levee and public access trails in Alviso, Santa Clara County.

**LOCATION:** Community of Alviso, City of San Jose, Santa Clara County (Exhibit 1)

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EXHIBITS

- Exhibit 1: [Project Location Map](#)
  - Exhibit 2: [Project Maps & Designs](#)
  - Exhibit 3: [November 19, 2020 Staff Recommendation](#)
  - Exhibit 4: [May 5, 2022 Staff Recommendation](#)
  - Exhibit 5: [April 18, 2024 Staff Recommendation](#)
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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 a grant of an amount not to exceed eight million dollars (\$8,000,000) to Ducks Unlimited, Inc. (“the grantee”) to construct the South San Francisco Bay Shoreline Project Reaches 1-3 ecotone in Ponds A12 and A13 to restore tidal marsh and upland transition zone habitat adjacent to a flood risk management levee and public access trails in Alviso, Santa Clara County (“the project”).

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.

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.
3. Ducks Unlimited, Inc. is a nonprofit organization organized under section 501(c)(3) of the U.S. Internal Revenue Code.

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## **STAFF RECOMMENDATION**

### **PROJECT SUMMARY:**

Staff recommends the Conservancy authorize a grant of up to \$8,000,000 to Ducks Unlimited, Inc. (DU) to construct the South San Francisco Bay Shoreline Project (Shoreline Project) Reaches 1-3 ecotone in Ponds A12 and A13 in Alviso, Santa Clara County ("the project"). The project is a component of the Shoreline Project, a long-standing effort of the Conservancy that will provide flood protection, restore 2,900 acres of former salt evaporation ponds, and improve public access in Alviso, a low-income, predominately Latinx neighborhood in San Jose that is below sea level and has flooded repeatedly in the last 50 years (Exhibits 1 and 2). With construction of Reaches 1-3 flood risk management (FRM) levee nearing completion in 2025, this recommended authorization is to fund the next phase of construction for Reaches 1-3, which is construction of the ecotone on the bayward side of the FRM levee in ponds A12 and A13.

The U.S. Army Corps of Engineers (Corps) is constructing the Shoreline Project pursuant to a cost-sharing agreement with Santa Clara Valley Water District (Valley Water) and the Conservancy, which are the non-federal sponsors for the project. According to the agreement, the Corps and the non-federal sponsors share construction costs for the FRM levee, tidal wetland restoration, and recreational improvements. The non-federal sponsors are responsible for 100% of the costs identified in the Shoreline Study as being part of the Locally Preferred

Plan (LPP), which are those elements of the Shoreline Project requested by the non-federal sponsors and authorized by Congress, but not eligible for federal cost-sharing by the Corps. The LPP elements include the ecotone and raising the FRM levee approximately 3 feet higher to improve long-term levee performance with sea level rise.

Ecotones are vegetated dirt slopes designed to provide a transition zone between tidal wetlands and the upland FRM levee. The ecotones will maximize ecological benefits of the Shoreline Project by providing refugia for wetland species during high tide events and storms, increasing habitat diversity, and allowing for marsh habitats to transition up-slope as sea level rises. This project consists of constructing an ecotone by importing and grading an approximately 500-foot wide dirt slope adjacent to the A12 levee and an approximately 270-foot wide slope adjacent to the A13 levee. Grading will include some contour variations to concentrate surface moisture in swales that support native plant diversity. In the future, the project will need additional funds to grow plants and revegetate the ecotone with native plants to restore marsh and transition zone habitats. The recommended authorization builds directly on a Conservancy grant authorized in November 2020 (Exhibit 3) to California Wildlife Foundation for developing draft and final designs, planting plans and construction bid documents for the Shoreline Project's ecotones. Final designs and specifications for the Pond A12 and A13 ecotone to be funded by this recommended authorization are under development, with DU staff participating on the design team to inform seamless construction.

DU is a long-term partner to the South Bay Salt Pond Restoration Project (SBSRP) and has led both design and construction of other former salt pond restoration efforts around the region, including the U.S. Fish and Wildlife Service (USFWS) Don Edwards San Francisco Bay National Wildlife Refuge (Refuge). DU is one of the few construction managers in the Bay Area that holds expertise in beneficial reuse of upland soils – diverting and reusing dirt excavated for upland residential and commercial construction projects that would otherwise be taken to landfills. Soil and sediment has become an increasingly essential and cost-prohibitive resource needed for shoreline restoration and climate adaptation projects. Through building and utilizing relationships with “dirt brokers” that connect projects disposing of dirt with projects in need of dirt, DU will build the ecotone in a cost-efficient way that also recycles a scarce resource instead of letting it go to waste. The USFWS is another key Shoreline Project partner that owns the Reaches 1-3 land, all of which resides on the Refuge. From their work together on the SBSRP, DU and USFWS already have many of the agreements in place that will be needed to import reuse dirt onto the Refuge - making DU particularly well-situated to lead Reaches 1-3 ecotone construction.

The Conservancy has made six previous funding authorizations for planning and implementing the Shoreline Project since 2018. The first three authorizations were for the Shoreline Project's design phases. On May 27, 2021, the Conservancy authorized a Project Partnership Agreement amendment with the Corps and Valley Water for construction of the Shoreline Project. On May 5, 2022, the Conservancy authorized a grant towards constructing the Reaches 1-3 FRM levee, which began in Spring 2022, and is expected to be complete by mid-2025. The May 2022 Staff Recommendation is included as Exhibit 4, and shares further project history and background, as well as information on the cost-share agreement. This exhibit also elaborates on broad project support from the community of Alviso, multiple local, state, and federal elected officials and

government agencies; restoration and habitat-focused non-governmental organizations; chambers of commerce groups for all Silicon Valley cities; recreation groups; and community groups. On September 22, 2022, the Conservancy authorized a grant to SFBBO to rehabilitate a USFWS nursery and to grow and prepare the native plants and seeds necessary for revegetation of the Reaches 1-3 FRM levee, and on April 18, 2024 the Conservancy authorized a grant to SFBBO for using these plants grown to revegetate the landward sides of the FRM levee in A12 and A13, and both sides of the levee in A16, including 3 years of maintenance and monitoring. The April 2024 authorization did not include the bayward sides of the levee in A12 and A13 in anticipation of the recommended authorization which will place dirt against these sides. Future revegetation of the ecotone will complement the FRM levee plantings. The April 2024 authorization also contributed funds to Valley Water for Reaches 4-5 construction, and is included for reference as Exhibit 5. The Conservancy is making good progress towards its share of the Shoreline Project cost-share agreement as the Shoreline Project incrementally reaches its goals.

**Site Description:** The Shoreline Project includes Ponds A9-A15 that were part of the 2003 South Bay Salt Pond Restoration Project acquisition, although the recommended authorization is to fund work in only A12 and A13. These ponds are now owned and managed by the USFWS as managed pond habitat for shorebirds and waterfowl as part of the Don Edwards San Francisco Bay National Wildlife Refuge. The Refuge receive approximately 733,000 visitors each year, and the Refuge's adjacent New Chicago Marsh Trail receives an estimated 8,200 visits each year.

**Grant Applicant Qualifications:** Funding from this authorization would go to DU, a nonprofit organization with extensive experience restoring tidal wetlands and habitat for waterfowl and other species. DU led planning, design, and implementation for nearby wetland restoration projects, including Cullinan Ranch, Sears Point, and the initial project at Haire Ranch to establish seasonal wetlands prior to tidal restoration. DU has also been a key partner in implementing the South Bay Salt Pond Restoration Project, managing design and construction of earthwork and grading of ecotones, berms, pond breaches and more in similar south bay shoreline locations.

As the non-federal sponsors to the Corps on the Shoreline Project, Valley Water and the Conservancy are responsible for long-term management and maintenance. Valley Water intends to maintain the flood protection features of the project, and the Conservancy intends to work with SBSRP partners, including the USFWS, to maintain the restoration features, including the project.

**CONSISTENCY WITH CONSERVANCY'S PROJECT SELECTION CRITERIA:**

The project is a component of the Shoreline Project, which remains consistent with the Conservancy's Project Selection Criteria, last updated on September 23, 2021, as described in the attached April 2024 staff recommendation (Exhibit 5).

**PROJECT FINANCING**

<b>Coastal Conservancy (current authorization)</b>	<b>\$8,000,000</b>
Coastal Conservancy (past authorization)	\$10,000,000
Association of Bay Area Governments	\$3,161,921
Wildlife Conservation Board	\$5,077,694
San Francisco Bay Restoration Authority	\$61,466,079
Valley Water	\$79,778,000
Department of Water Resources	\$8,000,000
Department of Water Resources ( <i>grant pending</i> )	\$41,000,000
U.S. Army Corps of Engineers	\$232,561,589
To be raised	\$63,494,364
<b>Project Total</b>	<b>\$512,539,647</b>

The above table shows the total cost to design, plan, and implement the Shoreline Project.

The anticipated source of Conservancy funds for this authorization is a FY 23/24 appropriation of General Funds to the Conservancy for “urgent sea-level level rise adaptation and coastal resilience needs using nature-based solutions or other strategies” (Budget Act of 2023 (SB 101)). The proposed project qualifies for use of these funds because it will address sea level rise adaptation needs by implementing an ecotone that will allow marsh habitat and species to migrate upslope as sea levels rise, providing shoreline habitat resilience. The ecotone will be adjacent to a flood risk management levee that will protect communities. The past Conservancy authorization was funded through F23/24 General Funds, as elaborated on in Exhibit 5. Exhibit 5 also describes the source and details of the other funds listed.

The remaining budget shortfall for the non-federal sponsors after this authorization is approximately \$63,494,364. Valley Water and the Conservancy are working to identify sources for the remaining shortfall and to identify ways to reduce construction costs, as described in Exhibit 5.

**CONSISTENCY WITH CONSERVANCY’S ENABLING LEGISLATION:**

This project is a component of the Shoreline Project, which remains consistent with and being 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, as described in the attached April 2024 staff recommendation (Exhibit 5).

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

Consistent with **Goal 3.2 Restore or Enhance Habitats**, the project will assist with implementing restoration of up to 2,900 acres of tidal wetlands.

Consistent with **Goal 4.3 Multi-benefit Nature-Based Climate Adaptation**, the project will implement nature-based climate adaptation that increases resilience for the community of Alviso, restores shoreline habitats, sequesters carbon, and enhances public access.

**CEQA COMPLIANCE:**

On March 22, 2018 the Conservancy adopted California Environmental Quality Act findings for the Shoreline Project and Conservancy staff filed a Notice of Determination on March 23, 2018. The Shoreline Project has not been substantially revised and there is no new information or changed circumstances that would warrant additional CEQA documentation. Accordingly, no new findings are required.