

COASTAL CONSERVANCY

Staff Recommendation
March 29, 2012

SAN FRANCISCO BAY LIVING SHORELINES PROJECT

File No. 10-010-01
Project Manager: Marilyn Latta

RECOMMENDED ACTION: Modification of the Conservancy's August 5, 2010 and December 2, 2010 authorizations to implement the Living Shorelines project, by revising the scope of implementation activities and by authorizing an additional disbursement of up to \$550,000 to the California Wildlife Foundation, \$300,000 of which will be reimbursed by the Wildlife Conservation Board, to construct two pilot projects in San Francisco Bay on the San Rafael Shoreline (Marin County) and offshore from Eden Landing Ecological Reserve in Hayward (Alameda County).

LOCATION: Two subtidal sites in San Francisco Bay: on the San Rafael Shoreline in Marin County and offshore of the Eden Landing Ecological Reserve in Alameda County.

PROGRAM CATEGORY: San Francisco Bay Area Conservancy

EXHIBITS

Exhibit 1: [Project Location and Site Map](#)

Exhibit 2: [December 2, 2010 Staff Recommendation](#)

RESOLUTION AND FINDINGS:

Staff recommends that the State Coastal Conservancy adopt the following resolution pursuant to Sections 31160 through 31165 of the Public Resources Code:

The State Coastal Conservancy hereby modifies its August 5, 2010 and December 2, 2010 authorizations to implement the Living Shorelines project, as described in the attached staff recommendation, by revising the scope of implementation activities and by authorizing an additional disbursement of up to five hundred fifty thousand dollars (\$550,000), three hundred thousand of which are grant funds received from the Wildlife Conservation Board (WCB), to the California Wildlife Foundation (CWF) to construct two pilot projects in San Francisco Bay on the San Rafael Shoreline in Marin County and offshore from Eden Landing Ecological Reserve in Hayward in Alameda County.

This authorization is subject to the condition that prior to Conservancy disbursement of funds:

1. CWF shall submit for the review and approval of the Executive Officer a work program, including a budget and schedule, and the names of any subcontractors to be retained for project work.
2. The existing Memorandum of Understanding between the Conservancy and WCB has been amended so that it authorizes the Living Shorelines as an approved, high priority project under WCB Agreement No. WC-3-32BT, describes the budget and additional work to be performed, and provides for reimbursement of the Conservancy's expenditures for the portion of the project to be undertaken by CWF."

Staff further recommends that the Conservancy adopt the following findings:

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

1. The proposed project remains consistent with Chapter 4.5 of Division 21 of the Public Resources Code, regarding the resource goals of the San Francisco Bay Area Conservancy Program.
2. The proposed project remains consistent with the Project Selection Criteria and Guidelines adopted on November 10, 2011.
3. The California Wildlife Foundation is a nonprofit organization existing under Section 501(c)(3) of the Internal Revenue Code, whose purposes are consistent with Division 21 of the Public Resources Code."

PROJECT SUMMARY:

As described in the August 5, 2010 and December 2, 2010 staff recommendations (Exhibit 2), the multi-habitat Living Shorelines project integrates subtidal habitat restoration of native oyster and native eelgrass beds with designs that test the use of natural structures to buffer and protect adjacent high priority tidal wetland sites, and areas of the San Francisco Bay shoreline vulnerable to sea level rise and shoreline erosion. At the August 5, 2010 and December 2, 2010 meetings, the Conservancy approved funding in the amount of \$1,000,000: \$300,000 of Conservancy funds, \$400,000 of WCB grant funds to the Conservancy, and \$300,000 of U.S. Environmental Protection Agency (EPA) funds, granted to the Conservancy through the Association of Bay Area Governments (ABAG). These funds are being utilized to plan, test, design and obtain permits for native oyster and eelgrass bed restoration, prior to implementing on-the-ground habitat restoration, and for subsequent monitoring.

As now proposed, the project will be modified by authorizing an additional disbursement of up to one hundred fifty thousand (\$150,000) for planning and monitoring by existing consultants on the project, and four hundred thousand dollars (\$400,000) to the California Wildlife Foundation to construct two pilot projects in San Francisco Bay on the San Rafael Shoreline (Marin County) and offshore from Eden Landing Ecological Reserve in Hayward (Alameda County). The Living Shorelines project is being coordinated by the Conservancy in collaboration with biological and physical scientists at San Francisco State University, the University of California at Davis, U.S. Geological Survey Western Ecological Research Center, and consultants from ENVIRON Corporation, Ocean Associates, Inc., and ESA-PWA. The two landowners, The

Nature Conservancy for the San Rafael site and the Wildlife Conservation Board for the Eden Landing Ecological Reserve site, are supportive of this project.

The original \$1,000,000 is supporting the development of draft and final design documents, permitting, oversight of construction implementation, and up to two years of post-construction monitoring. The Conservancy and project consultants have made significant progress in completing the necessary project tasks. The consultants have finalized the project design and monitoring program design and a portion of the site analysis and mapping, and the Conservancy has submitted permits applications to the applicable regulatory agencies to allow for construction of the two pilot projects. The Conservancy and consultants have held several meetings with the regulatory agencies about this newly proposed innovative habitat restoration design in San Francisco Bay and have received positive feedback.

California Wildlife Foundation is a 501(c)(3) nonprofit organization founded in 1990 to protect the state's wildlife species. CWF supports and assists in the implementation of programs of the California Department of Fish and Game (DFG) and the projects of entities that carry out DFG programmatic objectives. The Conservancy has previously granted funds to CWF for Invasive *Spartina* Project work and South Bay Salt Pond Restoration Project work.

Project History: As explained in the August 5, 2010 and December 2, 2010 staff recommendations, the Living Shorelines Project is part of a continuing effort by the Conservancy and the Ocean Protection Council ("OPC") to promote long-term management and restoration of subtidal habitat in the San Francisco Bay. In June 2005, the OPC authorized funds for San Francisco Bay eelgrass and native oyster projects, and in January 2006, the OPC designated the *San Francisco Bay Subtidal Goals Project* as a high priority for ocean conservation and requested funding by the Conservancy to study and prepare a report identifying threats to the Bay ecosystem, and develop restoration and research priorities. The final report was completed in December 2010.

The Living Shorelines Project will complement the *Subtidal Habitat Goals Project* and the *San Francisco Baylands Ecosystem Habitat Goals Project* prepared by the San Francisco Bay Area Wetlands Ecosystem Goals Project in 1999, as well as the Conservancy-funded *Upland Habitat Goals Project* completed in December of 2011, an on-going effort to develop a comprehensive, long-term management vision for the San Francisco Bay Area by the Bay Area Open Space Council. Specific recommendations for the management, restoration, and research of eelgrass beds and multi-habitat restoration project approaches are made in the *San Francisco Baylands Ecosystem Habitat Goals Report*. The Living Shorelines Project is consistent with these recommendations.

Site Description: The location of the proposed project varies somewhat from what was described in the August 5, 2010 and December 2, 2010 staff recommendations. The project will occur at two sites instead of three, due to higher costs and partnership planning time than anticipated.

The objective is to implement the project at sites appropriate for oyster and eelgrass populations that have wave action and erosion issues and that are near to existing tidal wetland locations. It has been challenging to find sites that meet all of these objectives. Two locations within the Bay were identified that met our most important site selection criteria: appropriate region and depth

for eelgrass and oysters, appropriate substrate for oyster reefs and eelgrass, and willing landowners with reasonable timeframes for approvals.

A location along a portion of the San Rafael shoreline on property owned by The Nature Conservancy will be used for the majority of the project work. In addition, a location offshore of Eden Landing Ecological Reserve, just south of the San Mateo Bridge on the east side of the Bay, will be used to evaluate recruitment of native oysters and eelgrass and their associated communities in small plots. Pending the outcome of this initial experiment, a larger scale pilot could be conducted in the future at the Eden Landing site.

The sites are referred to as the TNC site (San Rafael, Marin County) and ELER site (Eden Landing Ecological Reserve, Alameda County) on the Project Location and Site Map (Exhibit 1).

PROJECT FINANCING:

Funding Sources:

Conservancy (WCB funds; this authorization)	\$300,000
Conservancy (this authorization)	\$250,000
Conservancy (previously authorized)	\$300,000
Association of Bay Area Governments (EPA funds; previously authorized)	\$300,000
Wildlife Conservation Board (previously authorized)	<u>\$400,000</u>
Total	\$1,550,000

Conservancy funding for the proposed additional disbursement of \$300,000 for the Living Shorelines Project is expected to be provided under an existing grant agreement by which WCB may provide funds to the Conservancy for San Francisco Bay projects. Under the grant agreement with WCB, (WCB Agreement No. WC-3-32BT), the Conservancy may use these funds for habitat restoration projects within the nine-county San Francisco Bay Area that implement the restoration goals of the San Francisco Bay Joint Venture and the *San Francisco Baylands Ecosystem Habitat Goals Report* and that meet the priorities of the Conservancy as described in Section 31162 of the Public Resources Code. Specific recommendations for the management, restoration, and research of eelgrass beds and multi-habitat restoration project approaches are made in the 1999 *Baylands Habitat Goals Report*. The Living Shorelines Project is consistent with these recommendations. In addition, any proposed project must, under the WCB grant agreement, be a project that is identified in the grant agreement as a priority or otherwise authorized as a priority project by WCB in the “Memorandum of Understanding” between WCB and the Conservancy that is required before any project may move forward. WCB has agreed that the project for additional funding is a priority restoration project for the Bay Area and will amend the Memorandum of Understanding with the Conservancy to that effect before the Conservancy disburses funds to CWF.

The WCB grant funding, in turn, is derived from an appropriation from the Water Security, Clean Drinking Water, Coastal Beach Protection Fund of 2002 (Proposition 50). The Proposition 50 funds were appropriated under the specific authorization found in Section 79572(c) of the

Water Code and may be used for the general purpose of acquisition, protection and restoration of coastal wetlands.

CONSISTENCY WITH CONSERVANCY'S ENABLING LEGISLATION:

As modified, the project remains consistent with the requirements to Section 31111 and Chapter 4.5, Sections 31160-31165, of Division 21 of the Public Resources Code regarding resource goals in the San Francisco Bay Area, as discussed at length in the August 5, 2010 and December 2, 2010 staff recommendations (Exhibit 2).

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

The proposed modified project remains consistent with goals and objectives of the Conservancy's Strategic Plan, as described in the August 5, 2010 and December 2, 2010 staff recommendations (Exhibit 2).

CONSISTENCY WITH CONSERVANCY'S PROJECT SELECTION CRITERIA & GUIDELINES:

The proposed modified project remains consistent with the Conservancy's Project Selection Criteria and Guidelines adopted November 10, 2011 for all of the reasons specified in the August 5, 2010 and December 2, 2010 staff recommendations (Exhibit 2).

COMPLIANCE WITH CEQA:

The modified project remains categorically exempt from the provisions of the California Environmental Quality Act (CEQA), for the reasons described in the August 5, 2010 and December 2, 2010 staff recommendations (Exhibit 2). Moreover, now that the scale of the pilot projects has been reduced, the modified project would also be categorically exempt from review under CEQA Guidelines Section 15333(14 Cal. Code Regs. §15333) as a small habitat restoration project, not exceeding five acres, to assure the restoration and enhancement of habitat for fish, plants, or wildlife and with no significant adverse impact on endangered, rare or threatened species or their habitat, no known hazardous materials at or around the project site and, given the scale and methodology, no potential for cumulatively significant effects.