

COASTAL CONSERVANCY

Staff Recommendation  
August 22, 2019

**SOUTH SAN FRANCISCO BAY SHORELINE STUDY, PHASE II**

Project No. 02-070-07  
Project Manager: Brenda Buxton

**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 between San Francisquito Creek and Guadalupe River.

**LOCATION:** Cities of Palo Alto, Mountain View, Sunnyvale, and Santa Clara, Santa Clara County.

**PROGRAM CATEGORY:** San Francisco Bay Area Conservancy

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EXHIBITS

- Exhibit 1: [Project Location](#)
- Exhibit 2: [Project Area](#)
- Exhibit 3: [Santa Clara County Flood Risk Map](#)

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**RESOLUTION AND FINDINGS:**

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

“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 Santa Clara Valley Water District to study the portion of the Santa Clara County shoreline between San Francisquito Creek in the City of Palo Alto and the Guadalupe River in San José in order identify potential flood damage reduction, public recreation, and environmental restoration projects and to determine their eligibility for federal funding.”

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 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 and Guidelines."
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**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 (Corps) embarked on the South San Francisco Bay Shoreline Study (Shoreline Study). The purpose of this 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, and to develop recommended actions that could be federally funded. The Conservancy participated in the Shoreline Study because the Shoreline Study's geographic scope overlapped with the South Bay Salt Pond (SBSP) Restoration Project; completing this Study with the Corps and Valley Water created an opportunity for the Corps to provide federal funding for implementation of the restoration, flood protection, and public recreation goals of the South Bay Salt Pond (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 (designated Economic Impact Area or "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 (that were part of the SBSP Restoration Project acquisition area), construct new Bay Trail segments, and provide tidal flood risk management to the Alviso community. The Shoreline Study became the Shoreline "Project" when Congress authorized construction of the recommended plan in 2016. The Conservancy reviewed the Shoreline Study 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 expected to start fall of 2019.

The first Shoreline Study, however, did not provide project recommendations for the remaining sections of the Santa Clara County shoreline. To address the section of the Santa Clara County shoreline between San Francisquito Creek and Guadalupe River (EIAs 1-10 in the attached Exhibit 1), staff recommends that the Conservancy, along with Valley Water, enter into a Feasibility Cost Share Agreement (FCSA) with the Corps to complete another Shoreline Study, this version referred to as the South San Francisco Bay Shoreline Phase II Feasibility Study (Shoreline Study, Phase II). The Conservancy and Valley Water would be the joint non-federal

sponsors under the FCSA, coordinating and splitting costs with the Corps. Similar to the first Shoreline Study, this Shoreline Study, Phase II will outline a set of actions, eligible for federal cost sharing, that will address habitat restoration and enhancement, flood risk reduction and recreation. It is likely that the Shoreline Study, Phase II will recommend implementation of actions that help implement the SBSP Restoration Project's long-term restoration plan or habitat goals outlined in other regional wetland planning efforts.

Anticipating another shoreline planning effort, Valley Water prepared a Preliminary Feasibility Study for the area discussed in this staff recommendation. The analysis showed that many residential, commercial, and industrial properties are at risk of coastal flooding (Exhibit 2 shows some of the business along the shoreline). It also showed that there are significant restoration opportunities in the shoreline ponds, but that restoration 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. These measures, particularly if they include flood risk reduction levees, are likely to be very costly. They are more likely to be implemented if they are eligible for federal cost-share funding through the Corps. Completing the Shoreline Study, Phase II would be the first step in this process.

The Shoreline Study, Phase II will include the U.S. Fish and Wildlife Service's Ponds A1 through A8 that were part of the 2003 SBSP Restoration Project acquisition. However, the Shoreline Study, Phase II will also 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. High priority areas to address include the Palo Alto area between San Francisquito and Charleston Slough and the Moffett Field/Sunnyvale area between Stevens Creek and Calabazas Creek.

Although the FCSA obligates both non-federal sponsors to pay the non-federal share of the Shoreline Study Phase II, 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 using funds generated by a 2012 local funding measure: Clean Safe Water and Natural Flood Protection. However, as planning proceeds, if technical analyses required by the 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.

Conservancy staff recommend that the Conservancy participate in the Shoreline Study, Phase II in order to ensure coordination with the SBSP Restoration Project and other environmental restoration efforts and because the Conservancy's experience with the previous Shoreline Study will be relevant for this effort as well.

**Site Description:** The Shoreline Study Phase II is focused on the Santa Clara County shoreline from San Francisquito Creek to Alviso Slough. In addition to the U.S. Fish and Wildlife Service's Alviso Pond Complex (Ponds A1 through A8), the other properties that could be included in the

study are the Palo Alto Flood Basin, Pond A4, owned by Valley Water, and the pond adjacent to the Sunnyvale Water Pollution Control Plant.

**PROJECT FINANCING**

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

The Conservancy does not anticipate contributing directly to the Shoreline Study Phase II 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 Study Phase II 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 Study Phase II 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 Study, Phase II 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 Study, Phase II 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 [2018-2022 STRATEGIC PLAN](#)  
GOAL(S) & OBJECTIVE(S):**

Consistent with Goal 12, Objective C of the Conservancy’s 2018-2022 Strategic Plan, the proposed project will develop plans for restoration of tidal wetlands and other bay habitats.

**CONSISTENCY WITH CONSERVANCY’S  
PROJECT SELECTION CRITERIA & GUIDELINES:**

The proposed project is consistent with the Conservancy’s Project Selection Criteria and Guidelines, last updated on October 2, 2014, in the following respects:

**Required Criteria**

1. **Promotion of the Conservancy’s statutory programs and purposes:** See the “Consistency with Conservancy’s Enabling Legislation” section above.
2. **Consistency with purposes of the funding source:** See the “Project Financing” section above.
3. **Promotion and implementation of state plans and policies:** The Shoreline Study Phase II will promote and implement several state plans including:
  - CA Climate Adaptation Strategy/Safeguarding California: Reducing Climate Risk Plan (July 2014). The plan identifies Actions Needed To Safeguard Biodiversity And Habitats including #2: Implement adaptive management studies to refine

approaches for conserving biodiversity, especially for species and communities vulnerable to climate change such as coastal wetlands.

- California Water Action Plan (2014). The project helps achieve Goal #4, Protect and Restore Important Ecosystems as it is one of the 10 “large-scale habitat projects along the California coast in strategic coastal estuaries to restore ecological health and natural system connectivity, which will ... help defend against sea level rise”. In addition, the project supports Goal #8, Increase Flood Protection, calls for flood protection projects that achieve multiple benefits including through floodplain restoration.
  - California @ 50 Million: The Environmental Goals and Policy Report (2013 Draft). Key Action #3 of the “Preserve and Steward State Lands and Natural Resources” calls for building resilience in natural systems and specifically points out that wetlands “provide important carbon sequestration opportunities for the state.”
  - CA Wildlife Action Plan (2005). The project will further the following statewide recommended actions: a) The California Resources Agency, CA Department of Fish and Wildlife, the U.S. Fish and Wildlife Service, public land managing agencies, and local governments need to develop multicounty regional habitat conservation and restoration plans; g) Public agencies and private organizations need to collaboratively protect and restore lowland linkages in San Francisco Bay.
4. **Support of the public:** This project will help implement the goals of the SBSP Restoration Project, which is supported by Senator Dianne Feinstein, private foundations, the California Natural Resources Agency, California Department of Fish and Wildlife, U.S. Fish and Wildlife Service, Valley Water, the San Francisco Bay Joint Venture, Save The Bay, Citizen’s Committee to Complete the Refuge, Cargill, Inc. and many other agencies, organizations, and individuals. The Shoreline Project (for the Alviso area) also has been supported by a broad array of elected officials, agencies, organizations and individuals and there is similar support for extending the project to complete the Santa Clara County shoreline.
  5. **Location:** The proposed project is located in southern San Francisco Bay Area, Santa Clara County, consistent with Section 31162 of the Public Resources Code.
  6. **Need:** Approximately 85 percent of the tidal marsh in San Francisco Bay has been lost since the Gold Rush, leading to dramatic losses of fish and wildlife, decreased water quality and increased turbidity in the Bay, and changes to physical processes as the size of the Estuary shrank, increasing the need for dredging and the local hazards of flooding. The need for restoration of tidal marsh in San Francisco Bay in order to aid in the recovery of at-risk species, and improve the water quality and the physical health of the Bay, is well recognized among scientists and resource managers. In addition, the shoreline communities of the project area are at risk of tidal flooding.
  7. **Greater-than-local interest:** Restoration of the wetlands of South San Francisco Bay is a nationally significant effort that will provide benefits to a large number of species, including

migratory waterfowl and shorebirds, and aid in the recovery of several threatened or endangered species, including the California Ridgway's rail and salt marsh harvest mouse. In addition, providing flood protection to South Bay communities will also benefit residents, many regionally significant high-tech businesses, and shoreline infrastructure including wastewater treatment plants.

8. **Sea level rise vulnerability:** It is precisely because the shoreline is so vulnerable to impacts from flooding and loss of habitat and recreation that Valley Water and the Corps are conducting this study. This 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.

#### **Additional Criteria**

9. **Urgency:** As part of the Corps' FY 2019 work plan, the Corps has provided \$500,000 to start the Shoreline Study Phase II with a requirement that the Shoreline Study, Phase II be completed within three years. Therefore, it is critical to sign the FCSA this September and start work immediately.
10. **Resolution of more than one issue:** The Shoreline Study Phase II will address a wide array of shoreline threats: flood risk, need for habitat restoration and enhancement and threats to existing habitats, and need for recreation along the shoreline.
11. **Leverage:** See the "Project Financing" section above.
15. **Realization of prior Conservancy goals:** The Conservancy has been working with Valley Water and the Corps to address the Santa Clara County shoreline since 2005. This authorization fulfills the intended scope of the Conservancy's 2005 authorization.
17. **Cooperation:** The Conservancy is working closely with Valley Water, the other nonfederal sponsor, and the Corps in order to complete the study and, eventually, implement the wetland restoration, flood protection, and recreational improvements.

#### **CONSISTENCY WITH SAN FRANCISCO BAY PLAN:**

The Shoreline Study is under the permit jurisdiction of the San Francisco Bay Conservation and Development Commission (BCDC).

The project is consistent with the following policies of BCDC's San Francisco Bay Plan (Reprinted March 2012):

#### **Part III: The Bay as a Resource**

Fish, Other Aquatic Organisms and Wildlife (p. 16)

To assure the benefits of fish, other aquatic organisms and wildlife for future generations, to the greatest extent feasible, the Bay's tidal marshes, tidal flats, and subtidal habitat should be conserved, restored and increased.

Water Quality (p.19)

The Bay's tidal marshes, tidal flats, and water surface area and volume should be conserved and, whenever possible, restored and increased to protect and improve water quality.

Water Surface Area and Volume (p. 20)

Water circulation in the Bay should be maintained, and improved as much as possible.

Tidal Marshes and Mudflats (p. 23-24)

Where a transition zone does not exist and it is feasible and ecologically appropriate, shoreline projects should be designed to provide a transition zone between tidal and upland habitats.

Where feasible, former tidal marshes and tidal flats that have been diked from the Bay should be restored to tidal action in order to replace lost historic wetlands or should be managed to provide important Bay habitat functions, such as resting, foraging and breeding habitat for fish, other aquatic organisms and wildlife.

Any ecosystem restoration project should include clear and specific long-term and short-term biological and physical goals, and success criteria, and a monitoring program to assess the sustainability of the project.

**Part IV: Development of the Bay and Shoreline**

Public Access (pp. 67-68)

In addition to the public access to the Bay provided by waterfront parks, beaches, marinas, and fishing piers, maximum feasible access to and along the waterfront and on any permitted fills should be provided in and through every new development in the Bay or on the shoreline, whether it be for housing, industry, port, airport, public facility, wildlife area, or other use, except in cases where public access would be clearly inconsistent with the project because of public safety considerations or significant use conflicts, including unavoidable, significant adverse effects on Bay natural resources. In these cases, in lieu access at another location preferably near the project should be provided.

Public access to some natural areas should be provided to permit study and enjoyment of these areas. However, some wildlife is sensitive to human intrusion. For this reason, projects in such areas should be carefully evaluated in consultation with appropriate agencies to determine the appropriate location and type of access to be provided.



**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.