

COASTAL CONSERVANCY

Staff Recommendation  
November 19, 2020

**SOUTH SAN FRANCISCO BAY SHORELINE PROJECT**

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

**RECOMMENDED ACTION:** Authorization to disburse up to \$1,000,000 to California Wildlife Foundation for final ecotone and revegetation construction documents to support implementation of the South San Francisco Bay Shoreline Project in Santa Clara County.

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

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

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EXHIBITS

Exhibit 1: [Project Location Map](#)

Exhibit 2: [Project Maps](#)

Exhibit 3: [March 22, 2018 Staff Recommendation](#)

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**RESOLUTION AND FINDINGS:**

Staff recommends that the State Coastal Conservancy adopt the following resolution pursuant to Sections 31160 et seq. of the Public Resources Code:

"The State Coastal Conservancy hereby authorizes the disbursement of an amount not to exceed one million dollars (\$1,000,000) to California Wildlife Foundation ("the grantee") to develop final construction documents for ecotone earthwork as well as levee and ecotone revegetation as part of the Conservancy's cost share required by the Project Partner Agreement for the South San Francisco Bay Shoreline Project with the U.S. Army Corps of Engineers and Santa Clara Valley Water District."

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."
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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.
  3. The California Wildlife Foundation is a nonprofit organization organized under section 501(c)(3) of the U.S. Internal Revenue Code.”
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**PROJECT SUMMARY:**

The South San Francisco Bay Shoreline Project (Shoreline Project) will provide flood protection, restore 2,900 acres of former salt evaporation ponds, and improve public access in the Alviso area of South San Francisco Bay (Exhibits 1 and 2). The Shoreline Project includes construction of ecotones - the constructed dirt slope transitioning between tidal wetlands and the upland levee - along project reaches through Ponds A12, A13, and A18 (indicated in figure 2 of Exhibit 2). The ecotones will maximize ecological benefits of the Shoreline Project by providing refugia for wetland species during high tide events and storms, increase habitat diversity, and allow for marsh habitats to transition up-slope as sea level rises. Staff recommends the Conservancy authorize disbursement of up to \$1,000,000 to California Wildlife Foundation (CWF) to prepare final construction documents for ecotone earthwork as well as ecotone and levee revegetation (“the project”) along the full length of the Shoreline Project’s flood risk management levee.

The Shoreline Project, which the Conservancy has been a part of since 2005, will provide habitat restoration, flood protection, and public recreation within the South Bay Salt Pond (SBSP) Restoration Project in the Alviso area. Alviso is a low-income, predominately Latinx neighborhood in San Jose that is below sea level and has flooded repeatedly in the last 50 years.

In March 2018, the Conservancy authorized entering into a Project Partnership Agreement with the U.S. Army Corps of Engineers for the construction of the Shoreline Project (Exhibit 3). In that staff recommendation, the Conservancy authorized \$100,000 for environmental and engineering services as part of its contribution towards Shoreline Project costs. In October 2019, the Conservancy authorized disbursement of an additional contribution of \$150,000 for preliminary design of the Shoreline Project’s ecotone. The design of the first phases of levee construction (Reaches 1, 2 and 3) is complete, and construction is anticipated to begin in Spring of 2021.

The project consists of completion of the ecotone design effort, building upon the preliminary ecotone design work. The project would include developing draft and final engineered design

drawings and planting plans for bid construction documents that will make this habitat-enhancing feature ready to be included in the U.S. Army Corps of Engineers' bidding process for the second phase of levee construction (Reaches 3 and 4) in 2022. Additionally, the project would also prepare construction documents for revegetation of the Reach 2 and 3 section of levee between Pond A16 and New Chicago Marsh (Exhibit 2) where there is no ecotone slope proposed. Since this section of levee is adjacent to areas that will remain as open water managed pond (A16) and muted tidal marsh (New Chicago Marsh), which are not subject to full tidal action, an ecotone habitat provides less benefit to the species using this pond. Instead the Shoreline Project proposes to vegetate the levee, consistent with the U.S. Army Corps of Engineer's requirements, in order to provide cover to species migrating between New Chicago Marsh and the open waters of Pond A16.

**Site Description:** The Shoreline Project includes ponds that were part of the 2003 SBSP Restoration acquisition, Ponds A9-A15. These ponds are now owned and managed by the USFWS. The USFWS operates Ponds A9-A15 as managed pond habitat for shorebirds and waterfowl as part of the Don Edwards San Francisco Bay Wildlife Refuge (Refuge). In addition, the project includes the adjacent Pond A18, currently owned by the City of San Jose. Pond A18 is an 850-acre managed pond connected to the Bay through two water control structures. Implementation of the Shoreline Project will open Ponds A9-15 and A18 to tidal action through a phased approach.

**Grantee Qualifications:** Since its inception in 1990, California Wildlife Foundation has collaborated with federal, state, regional and local agencies to implement wildlife and habitat projects for public benefit. Working with partners, CWF administers large-scale acquisitions, ambitious restoration of land and water projects, and development of fishery and land management plans. The grantee has a successful track record of managing Conservancy grant funds, including for the San Francisco Estuary Invasive Spartina Project and the South Bay Salt Ponds Project, among others.

**Project History:** Project history and background is described in the attached March 2018 staff recommendation (Exhibit 3).

## PROJECT FINANCING

<b>Coastal Conservancy</b>	<b>\$1,000,000</b>
Coastal Conservancy (previous authorizations)	\$250,000
San Francisco Bay Restoration Authority	\$61,466,079
Santa Clara Valley Water District	\$15,000,000
Additional Funding (to be secured)	\$27,172,768
<b>Subtotal: non-federal sponsors' Cash Share</b>	<b>\$104,888,847</b>
U.S. Army Corps of Engineers	\$74,747,119
<b>Project Cash Total</b>	<b>\$179,635,966</b>

As described in the attached March 2018 staff recommendation, the total costs for design and construction of the Shoreline Project were estimated to be \$174,000,000 and they have since increased to \$179 million; the nonfederal sponsors' (the Santa Clara Valley Water District and the Coastal Conservancy) contribution is now expected to be \$104,888,847. The Conservancy has previously authorized \$250,000 in environmental and engineering services as part of its contribution towards the nonfederal cost-share. To date the Santa Clara Valley Water District has spent \$1.68 million for design out of its \$15 million and the Corps has spent \$3.4 million on design and allocated \$11 million for construction. The SF Bay Restoration Authority has also awarded \$61,466,079 of regional Measure AA funds towards the Shoreline Project, \$17.8 million of which has been spent on design, purchasing dirt for levee construction, and provided to the U.S. Army Corps of Engineers for construction.

Regarding the additional non-federal sponsors funding that is still needed for the Shoreline Project, additional funding sources include future appropriations to the Conservancy and subvention funds from the California Department of Water Resources. In addition, the Conservancy staff are actively seeking ways to lower the costs of ecotone construction during the design process by considering coordination with regional dirt brokers, using local sources of fill, or re-designing this feature to reduce the amount of fill.

The anticipated source of funds for the proposed project is an appropriation to the Conservancy from the "California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access for All Act of 2018" (Proposition 68, Division 45, Chapters 1-13 of the Public Resources Code). Chapter 8 of that bond act allocates \$20 million to the Conservancy for projects that qualify for grants from the San Francisco Bay Restoration Authority (Public Resources Code section 80110(b)(10)). The Shoreline Project is consistent with these requirements since it will restore tidal wetlands, create transition zone habitat for tidal marsh dependent species, provide public access, and increase flood protection along the shoreline of San Francisco Bay. In addition, the Shoreline Project has already received direct financial support from the San Francisco Bay Restoration Authority, as described above.

**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.

This authorization will enable the Conservancy to contribute to the Shoreline Project. The Shoreline Project 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 Project includes

construction of 1.8 miles of Bay Trail segments and connecting trails as well as related public facilities, while enhancing wildlife habitat.

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. This authorization would allow for the design of approximately 90 acres of upland transition zone (ecotone), as well as native revegetation along the levee length, which helps implement the goals of the SBSP Restoration Project, a wetland restoration project of national significance as well as 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 implementation of the Shoreline Project, which includes trails and other opportunities for recreation, will provide an important recreational open space area 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 (the restoration component will facilitate nationally and regionally significant wetland restoration efforts and the trail component will complete regional trail connections), (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 plans and feasibility studies under Public Resources Code Section 31111.

**CONSISTENCY WITH CONSERVANCY'S [2018-2022 STRATEGIC PLAN](#) GOAL(S) & OBJECTIVE(S):**

In alignment with the March 2018 finding, this projects remains consistent with **Goal 12, Objective C** of the Conservancy's 2018-2022 Strategic Plan, as it will assist with planning for the Shoreline Project, which will restore up to 2,900 acres of tidal wetlands.

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

This staff recommendation remains consistent with the Conservancy's Project Selection Criteria and Guidelines, last updated on October 2, 2014, as described in the attached March 2018 staff recommendation (Exhibit 3).

**CONSISTENCY WITH SAN FRANCISCO BAY PLAN:**

This staff recommendation remains consistent with San Francisco Bay Plan as described in the attached March 2018 staff recommendation (Exhibit 3).

**CEQA COMPLIANCE:**

On March 22, 2018 the Conservancy adopted findings pursuant to the California Environmental Quality Act (CEQA) for the Shoreline Project and Conservancy staff filed a Notice of Determination on March 23, 2018. There have not been any project changes, new information, or changed circumstances that trigger the need for additional documentation under CEQA. Therefore, this authorization remains consistent with the March 22, 2018 findings.