COASTAL CONSERVANCY

Staff Recommendation
September 22, 2022

SOUTH SAN FRANCISCO BAY SHORELINE PROJECT

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

RECOMMENDED ACTION: Authorization to disburse up to $396,200 to San Francisco Bay Bird Observatory to rehabilitate a U.S. Fish and Wildlife Service nursery in the City of Fremont and to grow and prepare the native plants and seeds necessary for revegetation of 17 acres of flood risk management levee that will be constructed as part of the South San Francisco Bay Shoreline Project in Santa Clara County.

LOCATION: Fremont, Alameda County and the Community of Alviso, San Jose, Santa Clara County (Exhibit 1)

EXHIBITS

Exhibit 1: Project Location Map

Exhibit 2: May 5, 2022 Staff Recommendation

Exhibit 3: Project Map & Designs

Exhibit 4: U.S. Army Corps of Engineers South San Francisco Bay Shoreline Project Levee Slope Conceptual Revegetation Plan

Exhibit 5: March 22, 2018 Staff Recommendation

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 three hundred ninety-six thousand two hundred dollars ($396,200) to San Francisco Bay Bird Observatory ("the grantee") to rehabilitate a U.S. Fish and Wildlife Service nursery in the City of Fremont and to grow and prepare the native plants and seeds necessary for revegetation of 17 acres of flood risk management levee that will be constructed as part of the South San Francisco Bay Shoreline Project in Santa Clara County.

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.
6. 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 resource and recreational goals of San Francisco Bay Area.
2. The proposed project is consistent with the current Conservancy Project Selection Criteria.
3. The San Francisco Bay Bird Observatory is a nonprofit organization organized under section 501(c)(3) of the U.S. Internal Revenue Code.

STAFF RECOMMENDATION

PROJECT SUMMARY:

Staff recommends the Conservancy authorize a $396,200 grant to San Francisco Bay Bird Observatory (SFBBO) for rehabilitating a nursery at the Don Edwards San Francisco Bay National Wildlife Refuge (Refuge) headquarters in the City of Fremont and for growing and preparing native plant material for future implementation phases of the South San Francisco Bay Shoreline Project (Shoreline Project). SFBBO will work closely with the U.S. Fish and Wildlife Service to enhance and improve their inactive nursery and will coordinate with the Shoreline Project team to collect seeds and grow plants that will be used in the eventual revegetation of a 17-acre portion of the Shoreline Project levee (Reaches 1-3).

The Conservancy has been a part of the Shoreline Project since 2005. The overarching project goals of the Shoreline Project include restoring habitat and providing flood protection and public recreation along the shoreline of Alviso - a low-income, predominately Latinx neighborhood of San Jose that is below sea level and has flooded repeatedly in the last 50 years. 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, who are the non-federal sponsors for the project. This grant is expected to be credited by the Corps as part of the non-federal sponsor share of project costs.

The Conservancy has made four previous authorizations for planning and implementing this significant project since 2018. Three of the authorizations were for the Shoreline Project's design phases. On May 27, 2021 the Conservancy authorized a Project Partnership Agreement amendment with the U.S. Army Corps of Engineers and the Santa Clara Valley Water District for construction of the Shoreline Project. And on May 5, 2022, the Conservancy authorized a grant towards constructing the Reaches 1-3 flood risk management levee, which began in Spring 2022, and is expected to be complete in early 2024. Further project history and background, as well as information on the cost-share agreement, are described in the attached May 2022 staff recommendation (Exhibit 2).

As part of the current construction contract, the Reaches 1-3 levee, as shown in Exhibit 3, will be constructed and seeded with native plant material. While the bayward side of levee Reach 1 will eventually be built up with adjacent ecotone, the landward side of Reach 1, and both the bayward and landward sides of Reaches 2-3, will be exposed. Though the levee will be seeded by the Corps as part of construction, further enhancement to turn this higher ground into viable, restored salt marsh and upland habitat is needed. In October 2019, the Conservancy and its consultant, H.T. Harvey & Associates (H.T. Harvey), prepared a Conceptual Revegetation Plan (Exhibit 4) to establish salt marsh and upland grassland vegetation communities on the Shoreline levee that would add habitat value, require minimal maintenance, and enhance trail user experience, all while facilitating levee safety. Cross-section figures of the revegetation design for levee Reaches 1-3 are shown in Exhibit 3. Establishing an appropriately curated mix of native tidal marsh and upland-transitional plant species will foster native plant biodiversity and provide habitat for sensitive tidal marsh wildlife which rely on higher elevation habitats for refuge during high tides. Additionally, while the levee itself will provide a physical barrier for the neighboring communities, adequate vegetation cover can augment this feature by absorbing wave action from incoming storm and tidal surges, increasing the climate resiliency of this area for years to come.

This authorization would grant funds to SFBBO to collect, propagate, and manage over 35,000 plants for eventual installation in the levee. Work will begin 2 years prior to final delivery of plant materials, as SFBBO staff will collect seeds and rhizomes from local plant populations. These propagules will then be planted and grown in a nursery to generate the container stock and divisions required for this project. Additional collections may be made for the purposes of amplifying propagules from small, local populations to generate larger quantities of seed with robust local genetics for use in the seed mix or nursery propagation. Seeds which cannot be collected by SFBBO, as well as the large quantities of seed for broadcast on the levee, will be purchased from a seed supplier who collects from local populations.

As a long-term non-profit partner to USFWS, SFBBO has operated a nursery and restoration efforts at the Refuge for many decades. Now needing more nursery space to accommodate the large need for native plants for the Shoreline project and other ongoing restoration efforts, SFBBO will rebuild and enhance the capacity of an existing nursery on USFWS property in

Fremont that has remained inactive since *Phytopthora* (a devastating plant pathogen that can infest CA native plant nurseries) contamination deemed the site unusable. USFWS is supportive of this nursery rehabilitation and they and SFBBO believe this on-site nursery will be able to supply planting material for the Refuge for various restoration efforts into the future. The nursery rehabilitation will involve constructing fencing, purchasing a steam generator for soil sterilization (to kill pathogens), building nursery tables and structures, adding gravel and concrete flooring, and implementing other *Phytopthora* pathogen best management practices.

The Conservancy and Shoreline Project team will also plan for future project phases after levee construction is complete, manage weeds to prepare the site and for ongoing maintenance, plant and seed the levee surface, organize and mobilize volunteers for planting, and conduct ongoing maintenance and monitoring of the levee, including re-seeding and re-planting areas where plants don't establish sufficiently in the first year. This grant will result in community engagement through volunteers, ongoing care and thoughtful monitoring of restoration progress, and an added asset to the Refuge of a nursery that will benefit future shoreline restoration efforts.

Site Description: The project will involve rehabilitation of an existing, inactive nursery at the Don Edwards National Wildlife Refuge (Refuge) headquarters, owned by USFWS in Fremont, CA. The proposed grantee has permissions and a close partnership with USFWS to manage these lands and restore the nursery. The existing outer structures and cleared area of the past nursery will be re-used. The groundcover is currently weedy with some exposed dirt as well. The nursery site is adjacent to headquarters buildings and a gravel roadway. The site is off Marshlands Road and just south of the Dumbarton bridge, in proximity to the San Francisco Bay shoreline.

Planting material prepared under this authorization will eventually be installed in the Shoreline Project Reaches 1-3 levee. The site of the Shoreline Project is further described in Exhibit 2.

Grant Applicant Qualifications: SFBBO is a 40-year-old nonprofit organization dedicated to conservation of birds and their habitats in the San Francisco Bay Area through science and outreach. SFBBO studies birds and their habitats, restores and creates habitats, and provides opportunities for the public to participate in research and restoration. As a long-term non-profit partner to USFWS since the early years of the Refuge, SFBBO is uniquely qualified to conduct this work that involves collaboration with multiple partners, long-term care, and restoration of part of the Refuge, consideration and scientific monitoring of the local biodiversity, and involvement of volunteers from the local community. SFBBO has worked with USFWS on scientific surveys and restoration efforts since the 1970s, including work at Bair Island, ponds A16, A17, and A6, and LaRiviere Marsh. SFBBO has also managed nursery operations at USFWS's Environmental Education Center in San Jose for about 10 years. Additionally, SFBBO has a long history of managing large grants and contracts from multiple organizations and implements sound financial practices.

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 accomplishes 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.

The Shoreline Project is the result of years of Conservancy participation in planning the South San Francisco Bay Shoreline Phase 1 Study and the South San Francisco Bay Salt Pond (SBSP) Restoration Project. The portion of the project in this authorization adds additional habitat value through creation of subtidal and upland habitats that will complement the larger Shoreline Project's tidal marsh restoration. This authorization supports implementation of plans developed through a long-term collaborative partnership with the Conservancy, USFWS, the Corps, Valley Water - and now brings in SFBBO as a non-profit partner that is committed to habitat restoration. SFBBO utilizes the best available local science and their experience with shoreline habitat restoration to inform their revegetation strategy. They will also be working closely with H.T. Harvey to implement an ecologically-sound and locally-informed revegetation design that maximizes project benefits.

The partnership supported in this authorization will leverage non-state resources, including volunteer efforts and federal dollars.

Additionally, the project and the greater Shoreline Project will promote and implement several state plans, including the *California Water Action Plan* (2014), and *CA Wildlife Action Plan* (2005).

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

Revegetation of the Shoreline Project levee with upland-transitional vegetation will improve the climate change adaptability of the forthcoming adjacent tidal marshes, providing accommodation space for marshes to migrate upslope in the face of rapid sea level rise. Working closely with H.T. Harvey, SFBBO will produce a diverse array of native species for eventual planting. The species chosen for the native plant community include many weedy, locally-adapted species that will compete well with invasive species, reducing long term vegetation management costs. Additionally, this plant diversity will improve climate adaptability of the new habitat that will be created, as a wider array of species with different tolerances and life history strategies will have a greater chance of persisting under increasingly extreme weather events, and sea level rise.

In future phases of work, SFBBO will work with USFWS for long-term maintenance of the site and will conduct routine surveys and monitoring to evaluate whether the project is meeting habitat goals and to inform maintenance recommendations. Through surveying vegetative

cover, SFBBO will determine what reseeding or replanting is needed, or whether invasive plant control is needed.

4. 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.

On July 15 and 16, 2016 the U.S. Army Corps of Engineers notified local tribes, primarily the Indian Canyon Mutsun Band of Costanoan, Ohlone Indian Tribe, Amah Mutsun Tribal Band of Mission San Juan Bautista, Muwekma Ohlone Indian Tribe, and Ohlone/Costanoan Indian Tribe, of the project details and the required cultural analyses done for USFWS Section 106 and CEQA/NEPA. Additionally, Conservancy staff notified federally recognized tribes in the area on February 7, 2018 prior to the Conservancy's March 22, 2018 authorization (Exhibit 5).

5. Project delivers multiple benefits and significant positive impact.

This project will meet the planting material needs for the Shoreline Project Reaches 1-3 levee, while also building a nursery and restoration partnership that will service enhancement and restoration efforts on the Refuge, including several Conservancy-led projects such as the SBSP Restoration Project and future Shoreline Project phases, for years to come. Volunteer opportunities will allow local community members to connect in a hands-on way with Bay restoration.

In future phases, the plant community that will be established will help stabilize the Shoreline Project levee with strong, rhizomatous root networks, protecting local communities from levee breaches and flooding, and reducing the need for levee repairs. The diverse community of local native plants will benefit local wildlife, including federally threatened and endangered species, by providing refugia during high tides, providing food sources and host plants for native pollinators, and providing native forage to local herbivores. Finally, the Shoreline Project will take place along a major segment of the San Francisco Bay Trail. The creation of a successful native plant community will enhance the aesthetic value of this section of trail along the Reaches 1-3 levee, provide more opportunities for viewing native fauna, and create more opportunities for community members to engage with and learn about the San Francisco Bay as an ecosystem.

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

The grantee will work with a limited amount of volunteers for nursery work and plant propagule collection. SFBBO is experienced with managing extensive volunteer projects for restoration growing and planting. In the past, they have partnered with local organizations like Keep Coyote Creek Beautiful and Sea Scouts to successfully involve local community members in volunteer events at restoration sites. SFBBO plans to use these partnerships, and develop new ones. In doing so, they will teach community members about the vital role the San Francisco Bay plays in local and global ecology and introduce community members to recreation opportunities related to the San Francisco Bay Trail and the Don Edwards National Wildlife Refuge.

More details on the community engagement and benefits of the larger Shoreline Project can be found in Exhibit 2.

PROJECT FINANCING

Coastal Conservancy	**$396,200**
U.S. Fish and Wildlife Service	$10,000
Project Total	**$406,200**

Conservancy funding is anticipated to come from a Fiscal Year 2022/23 appropriation from the General Fund to the Conservancy for the purpose of climate resilience. The proposed project is consistent with this funding source because it will facilitate incorporating nature-based elements into flood protection infrastructure, and help restore and enhance the ecology of San Francisco Bay ecosystems.

The USFWS's Don Edwards San Francisco Bay National Wildlife Refuge will contribute $10,000 of their funds towards the nursery, seeing this investment as a meaningful addition to their property that will help with their restoration and environmental protection efforts into the future. They will also contribute in-kind staff time and heavy machinery to the nursery rebuild effort to reduce the costs associated with site preparation activities, which would otherwise have to be done manually.

SFBBO will also contribute in-kind through volunteer labor for nursery work and plant propagule collection. This volunteer help is estimated to result in about 300 hours of work, estimated at a rate of $20 per hour – resulting in approximately $6,000 of in-kind services.

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:

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 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 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 specifically provide for the first phase of work towards revegetating 17 acres of tidal marsh and upland-transitional habitat, which helps implement the overarching goals of the SBSP Restoration Project, a wetland restoration project of national significance.

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 resource 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. 99, 130-131, and the *Baylands Goals Update (2015)* pp. 198-203), (2) is multijurisdictional (involves multiple agencies) and serves a regional constituency (the restoration component will facilitate nationally and regionally significant wetland restoration efforts and 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.

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

Consistent with **Goal 12, Objective D** of the Conservancy's 2018-2022 Strategic Plan, the proposed project will prepare the planting material for enhancing 17 acres of subtidal and upland habitat, which will eventually be continuous with 2,900 acres of restored tidal wetlands once Shoreline Project is fully implemented.

CEQA COMPLIANCE:

The proposed project is categorically exempt from review under the California Environmental Quality Act pursuant to Title 14 California Code of Regulations, Section 15301 regarding existing facilities. The project involves repair, maintenance, and minor alterations to existing public structures and facilities, and will have negligible expansion of former use as a native plant nursery.

Upon approval of the project, Conservancy staff will file a Notice of Exemption.

The eventual planting of the material that will be produced under this authorization is covered under the Shoreline Project's California Environmental Quality Act findings, which the Conservancy adopted on March 22, 2018 (Exhibit 5) and Conservancy staff filed a Notice of Determination for on March 23, 2018. This authorization remains consistent with the March 22, 2018 findings.