




MEMORANDUM

April 9, 2021

TO: MEMBERS, PORT COMMISSION
Hon. Kimberly Brandon, President
Hon. Willie Adams, Vice President
Hon. John Burton
Hon. Gail Gilman
Hon. Doreen Woo Ho

FROM: Elaine Forbes
Executive Director 

SUBJECT: Request authorization to accept and expend \$1,667,000 in grant funds from the California State Ocean Protection Council for the Heron's Head Park Shoreline Resilience Project and approve the grant agreement, subject to Board of Supervisors' approval. (Resolution 21-17); and Request authorization to apply for \$1,517,000 in grant funds from the Wildlife Conservation Board Pacific Flyway Conservation Program for the Heron's Head Park Shoreline Resilience Project. (Resolution 21-18)

DIRECTOR'S RECOMMENDATION: Approve Attached Resolutions Nos. 21-17 and 21-18

Executive Summary

The Port of San Francisco created Heron's Head Park over 20 years ago. Over the past two decades, the park has evolved, with addition of the EcoCenter in 2010 and expansion and improvement of the park in 2012. Heron's Head Park has experienced significant erosion and invasion by non-native plants, resulting in decreased size and ecological value of the tidal wetland. The Port has developed plans for a living shoreline construction and wetland habitat restoration project, the Heron's Head Park Shoreline Resilience Project (the Project), to mitigate these impacts.

In 2020, the San Francisco Bay Restoration Authority authorized a grant award of \$297,000 to Port to support the wetland plant habitat enhancement element of the Project, and the Port Commission and Board of Supervisors authorized Port staff to

accept and expend the grant. In November 2020, Port staff applied for \$1.667 Million from the Ocean Protection Council (“OPC”, a division of the California Natural Resource Agency) Coastal Resilience Grant Program to support the shoreline stabilization element of the Project. In February 2021, the OPC voted to award the requested amount to support construction of the stabilized shoreline element of the Project. The OPC grant award provides 52% of the estimated cost to construct the shoreline. Port staff now requests the Port Commission’s authorization to accept and expend \$1,667,000 in OPC grant funds for construction of the Project and approval of the grant agreement and authorization to seek Board of Supervisors’ approval to accept and expend the grant from OPC. The OPC grant would provide about half of the funds needed to construct the shoreline stabilization and living shoreline elements of the project. Additional funds will be required in order to begin construction.

Port staff have continued efforts to identify other grant fund opportunities for this important project. The California Wildlife Conservation Board (WCB) Pacific Flyway Conservation Program supports multi-benefit climate adaptation and resiliency projects that protect or restore migratory bird habitat and improve habitat diversity and quality. The Port submitted a pre-application for funding and has been short-listed to submit a full application. The WCB requires Port Commission authorization to apply for funding. Port staff request approval of the attached resolution to support this grant application submittal.

Strategic Objectives

The Project supports the Port’s strategic objectives as follows:

Goal #3 Engagement, Objective #2: Partner with City departments and government agencies, Port tenants, and stakeholders to educate and promote waterfront projects and activities. Port staff has presented the Project to the Port’s Southern Waterfront Advisory Committee and the EcoCenter Advisory Committee (staffed by the San Francisco Recreation and Parks Department) on multiple occasions over the past four years, and the Project has support from Committee members and members of the public attending those meetings. Additional community engagement in the Heron’s Head Park Shoreline Resilience project and outreach regarding the potential for nature-based infrastructure to serve as shoreline protection and adaptation to sea level rise will be led by community-based organization Literacy for Environmental Justice (LEJ) and funded by the San Francisco Bay Restoration Authority grant to Port in Fall 2021.

Goal #4 Equity: Ensure Port activities advance equity and public benefit and attract a diversity of people to the Waterfront. Protecting and enhancing the shoreline and wetland habitat at Heron’s Head Park will preserve a valuable public asset that is enjoyed by a diversity of users seeking healthy activities and connection to nature in an area of the City where there is less access to such benefits.

Goal #5 Sustainability, Objective #2: Enact measures to protect the Bay and its ecosystems:

- a) *Explore natural infrastructure alternatives (e.g. wetlands, horizontal levees, and “living shorelines”) in all shoreline stabilization and improvement projects.*
- b) *Implement City Biodiversity Goals and best sustainable practices in all open space improvement projects.*

The Project will achieve a natural infrastructure solution to shoreline stabilization, and it will protect and enhance biodiversity at Heron’s Head Park.

Background

Heron’s Head Park is an approximately 21-acre peninsula, comprised of seven acres of wetlands and tidal ponds, and 14 acres of public open space with park amenities including a 1/3-mile spur of the San Francisco Bay Trail, picnic areas, an off-leash dog play area and the EcoCenter. Heron’s Head Park is a highly valued resource for both wildlife and people: it is home to or visited by over 100 species of migratory and resident birds, two endangered species, and serves thousands of visitors each year.

As detailed in an August 11, 2020 Port Informational Memorandum to the Port Commission, the shoreline at Heron’s Head Park has experienced subsidence, erosion from wind-driven waves and tidal flows, and a low supply of suspended sediment in Bay waters that is needed to replenish the marsh. These forces have caused loss of both habitat acreage and ecological function. Without protection from erosion and capacity to adapt to sea level rise, Heron’s Head Park is expected to lose an estimated additional 80,000 sq. ft. over the next 30 years.

To address these impacts, the Port has developed the proposed Project that will:

- 1. Place coarse sand and gravel, stabilized by rock and cobble groynes¹, along the southern shoreline to prevent erosion, improve habitat quality and diversity, and enable sea level rise adaptation.
- 2. Restore and maintain native plant vegetation over a five-year period to enhance biodiversity and ecological function of the existing wetlands.
- 3. Create youth employment and community engagement opportunities through hands-on involvement in park restoration activities.
- 4. Monitor project outcomes for 10 years.

Regulatory Approvals

The Project has been reviewed for compliance with CEQA by the San Francisco Planning Department and determined to be categorically exempt under Class 33 - CEQA Guidelines. Section 15333. Small Habitat Restoration Projects, (d)(2) for wetland restoration. The Port has obtained permits to construct the Project from the US Army Corps of Engineers, the Bay Conservation and Development Commission, the San

¹ A groyne is a shoreline protection structure build perpendicular to the shoreline to reduce longshore drift and trap sediments.

Francisco Bay Regional Water Quality Control Board, and the US Fish & Wildlife Service.

Funding Efforts

San Francisco Bay Restoration Authority (SFBRA); Grant Secured. The San Francisco Bay Restoration Authority (“SFBRA”) is a regional agency created to generate and allocate resources for the protection and enhancement of tidal wetlands and other wildlife habitat in San Francisco Bay and along its shoreline. It awards grants to achieve these purposes consistent with the San Francisco Bay Clean Water, Pollution Prevention and Habitat Restoration Measure (“Measure AA”), passed by the voters in June 2016. As described in a Port Memorandum to the Port Commission of August 25, 2020, the SFBRA authorized disbursement of \$297,000 to the Port for the first phase (the first two of a total of five years with a total grant award of up to \$1.1M) of the wetland plant restoration and community outreach components of the project. Through Resolution 20-42, the Port Commission authorized acceptance of the grant and a sole-source contract with Literacy for Environmental Justice to use the grant funds for Wetland Habitat Restoration at Heron’s Head Park. The Board of Supervisors authorized the Port to accept and expend SFBRA grant funds in September 2020 by Resolution 446-20. This wetland plant habitat restoration work is now underway.

Request authorization to accept and expend Ocean Protection Council Grant; Grant Awarded. Proposition 68, The California Drought, Water, Parks, Climate, Coastal Protection and Outdoor Access for All Act (Prop. 68), passed by the voters in 2018, generated funding for a wide variety of projects and initiatives, including projects that implement nature-based solutions and other sea level rise adaptation strategies to build coastal resiliency. In November 2020 Port staff applied to the OPC Coastal Resilience Grant Program for \$1.667M to support construction of the stabilized shoreline that will protect the marsh along Heron’s Head Park’s southern shoreline from erosion². On February 16, 2021, the OPC voted to award \$1.667M to the Port to construct the stabilized shoreline at Heron’s Head Park.

The OPC requires the grant recipient (“grantee”) to make certain findings, which are included in the proposed resolution accompanying this staff report, and execute a grant agreement (Grant Agreement) that specifies that the grantee will:

- Maintain the improvements for the duration of the grant term or reasonable life of the improvements. The shoreline is designed to mitigate erosion and provide capacity to adapt to sea level rise for approximately 30 years, through 2050 based on moderate projections for level of sea level rise, without maintenance. Regulatory agency permits to construct the Project obligate the Port to monitor the performance of the stabilized shoreline and implement adaptive management measures as needed to maintain the shoreline stabilization and habitat enhancement functions of the shoreline for 10 years.
- Comply with applicable laws and regulations including, but not limited to CEQA,

² The shoreline construction is described in detail the Port Memorandum to the Port Commission, Item 13A, February 9, 2021.

building codes, health and safety codes, the California Labor Code, disabled access laws, and project-specific permits.

- Certify that it will work towards the State’s priorities intended to promote equity, strengthen the economy, protect the environment, and promote public health and safety.
- ensure that its accounting practices are in accordance with the guidelines of “Generally Accepted Accounting Principles”
- Indemnify and hold harmless the State from liability connected with the project. Such requirement that the grantee indemnify the grantor is typical in grant agreements. Section 1.24 of the City’s Administrative Code requires the City’s Risk Manager’s approval in order for the City to indemnify another party; the City’s Risk Manager has approved these provisions of the Grant Agreement.
- Procure and maintain specified insurance and require the same of its contractors executing the grant-funded work.
- Acknowledge the OPC and the Coastal Resilience Grant Program in written, verbal, and digital communications about the project. OPC is currently developing guidance for grantees regarding acknowledgement, as well as specifications for how to use the new OPC logo in project signage, displays and interpretive aids.

All OPC grant funds will be used to construct the resilient shoreline at Heron’s Head Park. The \$1.667M award from OPC comprises approximately 52% of the current estimated cost to construct the shoreline. The OPC grant does not require any matching funds from the Port, but additional funding from other sources will be required to implement the Project. Port staff will continue to pursue grants from State and Federal funding sources. When the project is fully funded, the Port will contribute project management, grant and contract administration, and potentially construction management services.

Seeking funding from Wildlife Conservation Board. The Wildlife Conservation Board (WCB) is an independent state board that supports wildlife conservation. Along with building coastal resilience and other goals, Prop. 68 also made funding available to the WCB for projects that protect and enhance wildlife habitat associated with the Pacific Flyway³. In December 2020, Port staff submitted a pre-application for WCB Pacific Flyway Conservation Program grant funds. In February 2021, after screening 71 pre-applications for a combined aggregate total of \$58 million in grant funds, the WCB invited a shorter list of 32 applicants, including the Port, to submit full applications by April 8, 2021. If awarded, the WCB grant would provide the remaining funds required to construct the stabilized shoreline.

The application for WCB’s Pacific Flyway Conservation Program grant requires a resolution from applicant’s governing board that authorizes staff to file the application and commits the applicant to:

³ The Pacific Flyway is a major north-south route for migratory birds in America, extending from Alaska to Patagonia. San Francisco Bay is one of the most important stopovers for birds migrating along the Pacific Flyway.

- Comply with all federal, state and local environmental, public health, and other applicable laws and regulations
- Obtain all applicable permits
- Agree to execute a project specific grant agreement including terms and conditions consistent with state grant funding requirements
- Designate a representative authorized to negotiate and execute agreements, amendments, and other documents that related to the project.

If the Port's application is successful, staff will return for Port Commission authorization to accept and expend grant funds subject to Board of Supervisors approval.

Project Cost and Phasing

At the Port Commission's August 11, 2020 meeting, Port staff presented an informational item regarding the entirety of the Project, including wetland habitat restoration and maintenance, shoreline construction, and five years of post-construction monitoring of both wetland and shoreline performance. At that time, the total estimated cost to implement all elements of the Project, based on 65% engineering design, and assuming use of donated sand and gravel, was \$3.35 Million.

The design is now complete, and the construction documents are ready to bid for construction. The cost estimate has been refined, and the Port has obtained 3rd-party peer review of the design engineer's estimate. The current estimate to complete all elements of the Project, including a 10% contingency on shoreline construction and incorporating revised cost estimating recommendations from the 3rd-party review is \$4.284M, of which \$1.1M is for marsh habitat restoration, maintenance, and monitoring, and \$3.184M is for shoreline construction. The increased estimate of construction cost results from more accurate quantities in the 100% design and more thorough research on cost of labor and materials. It includes a cost for contracted construction management and retaining the engineering design team during construction. It is important to note that this marine work is non-standard construction and poses greater construction risk for bidders (i.e. tidal windows, ground conditions, protection of species and natural resources during construction, work during winter and related impact of weather conditions, etc.). Consequently, a larger variation in bid costs than a standard building remodel project should be expected.

The estimated cost, funding status, and schedule for implementing the project in phases are summarized below.

Scope	Schedule	Estimated Cost	Funding Status
Wetland revegetation, Phase 1: First two of proposed five years of wetland plant habitat restoration	Fall 2020 through Fall 2022.	\$297,000	Grant agreement between SFBRA and Port executed November 10, 2020.
Shoreline stabilization	August through January of any year, pending funding.	\$3,184,000	Partially funded pending Port Commission and Board of Supervisors approval of \$1.667M grant from OPC. Additional funds from WCB grant or other source are required to construct the stabilized shoreline.
Wetland revegetation Phase 2: Three additional years of wetland habitat restoration	Upon completion of shoreline stabilization.	\$495,000	Recommended for SFBRA grant funding. Task-specific award is subject to future SFBRA Governing Board, Port Commission, and Board of Supervisors approval.
Post-Construction Monitoring	From completion of shoreline construction through five years after completion.	\$308,000	Same as above.
Total Estimated Project Cost		\$4,284,000	

Schedule for Shoreline Stabilization

The anticipated schedule for the shoreline construction element of the Project is as follows:

Port Commission Authorization to Accept and Expend OPC Grant.	April 13, 2021
Board of Supervisors Authorization to Accept and Expend OPC Grant.	May 25, 2021
Execute Grant Agreement with OPC	June 2021
Secure additional funding for construction	Ongoing through March 2022.
Advertise, bid, and award construction contract, subject to availability of funds for shoreline	March – July 2022.

construction, estimated at
\$3.184M

Construct shoreline

August 2022 – January
2023

Recommendation

Port staff requests Port Commission approval of the two attached resolutions:

- Subject to Board of Supervisors' approval, (1) authorization to accept and expend \$1,667,000 in grant funds from the OPC, (2) approval of the Grant Agreement; and (3) upon Board of Supervisors' approval, authorization for the Executive Director to execute and implement the Grant Agreement with OPC to partially fund construction of the shoreline stabilization element of the Heron's Head Park Shoreline Resilience Project.
- Authorization to apply for \$1,517,000 in grant funds from the WCB Pacific Flyway Grant Program to provide additional funding for construction of the shoreline stabilization element of the Heron's Head Park Shoreline Resilience Project.

Prepared by: Carol Bach
Environmental Affairs Manager

For: Diane Oshima
Deputy Director, Planning &
Environment Division

**PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO**

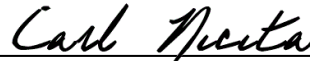
RESOLUTION NO. 21-17

- WHEREAS Proposition 68, The California Drought, Water, Parks, Climate, Coastal Protection and Outdoor Access for All Act (“Proposition 68”) was passed by the voters in 2018; and
- WHEREAS the Ocean Protection Council, a division of the California Natural Resources Agency, is charged with awarding and administrating grant funds generated by Proposition 68 for projects that implement nature-based solutions and other sea-level rise adaptation strategies to build coastal resiliency; and
- WHEREAS on November 13, 2020, the Port applied for grant funds from the OPC to construct a natural infrastructure-based shoreline to prevent erosion and enable sea level rise adaptation at Heron’s Head Park; and
- WHEREAS at its February 16, 2021 meeting, the OPC adopted a resolution authorizing a grant to the Port in the amount of \$1,667,000 for the Heron’s Head Park Shoreline Resilience Project; the OPC’s resolution was adopted by the OPC pursuant to, and is included in, the OPC’s February 16, 2021 staff recommendation, and
- WHEREAS the OPC requires execution of a grant agreement that includes terms and conditions customary for State grants as further described in the Memorandum to the Port Commission dated xx, 2021 (“Grant Agreement”); and
- WHEREAS under the City Administrative Code Section 10.107-1, the Port must obtain Board of Supervisors’ approval to accept and expend grant funds of \$100,000 or more; and the Grant Agreement is subject to Board of Supervisor’s approval under Charter Section 9.118;
- WHEREAS the shoreline stabilization to be funded by OPC grant is categorically exempt from the California Environmental Quality Act; now therefore be it
- RESOLVED that the Port Commission authorizes Port to accept and expend \$1,667,000 in grant funds from the California State Ocean Protection Council for the Heron’s Head Park Shoreline Resilience Project and approves the Grant Agreement and authorizes its Executive Director to seek Board of Supervisors' approval to approve the request to accept and expend the grant from the OPC and to approve the Grant Agreement; and be it further
- RESOLVED that, upon Board of Supervisors' approval, the Port Commission authorizes the Executive Director or her designee to act as a

representative of the Port and to negotiate and execute the Grant Agreement and all other agreements and instruments necessary to obtain and expend the grant monies on behalf of Port, in such form approved by the City Attorney.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of April 13, 2021.

DocuSigned by:



Carl Nicita

Secretary

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**PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO**

RESOLUTION NO. 21-18

- WHEREAS Proposition 68, The California Drought, Water, Parks, Climate, Coastal Protection and Outdoor Access for All Act (Proposition 68) was passed by the voters in 2018; and
- WHEREAS Proposition 68 made funds available to the Wildlife Conservation Board for the enhancement or restoration of fish and wildlife habitat and for the development of public access facilities for hunting, fishing or other wildlife-oriented recreational uses; and
- WHEREAS Port staff proposes to apply for WCB Pacific Flyway Grant Program funds to support construction of the Heron’s Head Park Shoreline Resilience Project; now therefore be it
- RESOLVED, that the Port Commission approves the filing of an application for funding from the Wildlife Conservation Board; and be it further
- RESOLVED, that the Port will comply with all federal, state and local environmental, public health, and other appropriate laws and regulations applicable to the project; and be it further
- RESOLVED, that the Port has or will obtain all appropriate permits applicable to the project; and be it further
- RESOLVED, that Port will commit to compliance with terms and conditions customary for State grants as will be specified in a future grant agreement with the Wildlife Conservation Board; and be it further
- RESOLVED, that the Port Commission authorizes its Executive Director or her designee to conduct negotiations, execute, submit and sign all documents including but not limited to applications, agreements, amendments, payment requests, and other documents which may be necessary to apply for grant funds, and if awarded, for the completion of the grant-funded project.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of April 13, 2021.

Secretary