



## MEMORANDUM

September 10, 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 \$1,493,000 in grant funds from the California Department of Fish and Wildlife for the Heron's Head Park Shoreline Resilience Project and approve the grant agreement, subject to Board of Supervisors' approval.

**DIRECTOR'S RECOMMENDATION:** Approve Attached Resolution No. 21-38

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### 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 the addition of the EcoCenter in 2010 and expansion and improvement of the park in 2012. Heron's Head Park has also experienced significant erosion and invasion by non-native plants, resulting in decreased size and ecological value of the tidal wetland. In response, the Port has developed plans for a living shoreline and wetland habitat restoration project, known as the Heron's Head Park Shoreline Resilience Project (the "Project"), to mitigate these impacts.

The Project was presented for the Port Commission's information on [August 11, 2020](#). The Port Commission authorized Port staff to accept and expend \$297,000 of grant funds from the San Francisco Bay Authority ("SFBRA") to support the wetland plant habitat enhancement element of the Project on [August 25, 2020](#). The Port Commission authorized Port staff to accept and expend \$1,667,000 in grant funds from the Ocean

Protection Council (“OPC”), to support the shoreline stabilization element of the Project, on [April 13, 2021](#), and the Board of Supervisors authorized the Port to accept and expend the OPC grant on July 13, 2021.

The Port applied for a Proposition 1 Ecosystem Restoration Grant from the California Department of Fish & Wildlife (“CDFW”). In June 2021 the CDFW recommended an award of \$1,493,000 for the shoreline stabilization element of the Project. Port staff now requests the Port Commission’s authorization to accept and expend the \$1,493,000 in CDFW grant funds for construction of the Project, approve the grant agreement with CDFW, and authorize its Executive Director to seek Board of Supervisors’ approval of the grant agreement and authorization to accept and expend the grant funds.

### **Strategic Objectives**

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

***Sustainability: Implement nature-based shoreline stabilization and improvement projects and complete the Heron’s Head Park Shoreline Project by 2023.***

Acceptance of CDFW grant funds will substantially contribute to the Port’s achievement of this objective.

***Engagement: Partner with City departments and government agencies to align communication, engagement, and activities.***

Port staff has presented the Project to the Port’s Southern Advisory Committee and the EcoCenter Advisory Committee (staffed by the San Francisco Recreation and Parks Department) on multiple occasions over the past four years. The Project has support from Committee members and members of the public attending those meetings.

Literacy for Environmental Justice (LEJ), a community-based organization and Project partner, will engage the neighboring Bayview Hunters Point community through informational presentations about the Heron’s Head Park Shoreline Resilience project and the potential for nature-based infrastructure to serve as shoreline protection and adaptation to sea level rise. These presentations will be community-driven; LEJ interns will develop content with technical support from the Port and deliver the presentations to organizations and stakeholders of their choice. LEJ staff and interns’ work to deliver up to four such presentations will be funded by the SFBRA grant to the Port.

***Evolution: Improve Port open spaces to provide publicly desired amenities and activities.***

Protecting and enhancing the shoreline and wetland habitat at Heron’s Head Park will increase biodiversity and preserve a valuable public asset that is enjoyed by a diversity of users. In doing so, the Project preserves opportunities for healthy outdoor recreation and connection to nature in an area of the City where there is less access to such benefits.

### **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. It includes 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 1.8 acres 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 groynes<sup>1</sup>, 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 U.S. Army Corps of Engineers, the Bay Conservation and Development Commission, the San Francisco Bay Regional Water Quality Control Board, and the U.S. Fish & Wildlife Service.

### **Funding**

**SFBRA: Grant Secured.** The 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 the Memorandum to the Port Commission on August 25, 2020, the SFBRA authorized disbursement of \$297,000 to the Port for the first phase of

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<sup>1</sup> A groyne is a shoreline protection structure built perpendicular to the shoreline to reduce movement of material parallel to the shoreline (known as longshore drift) and trap sediments.

wetland habitat restoration at Heron's Head Park which consists of two years of wetland vegetation, youth employment, habitat stewardship, and community outreach. 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. The \$297,000 disbursement will cover the first two years of the anticipated total of five years of marsh revegetation work. The total grant award is up to \$1.1M; the additional three years of marsh revegetation work and post-construction monitoring will be subject to future approval by the SFBRA and the Port.

**OPC Grant: Grant Agreement approved, execution pending.** 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 February 2021, the OPC voted to award \$1.667M from its Coastal Resilience Grant Program to the Port to support construction of the stabilized shoreline that will protect the marsh along Heron's Head Park's southern shoreline from erosion<sup>2</sup>. Through [Resolution 21-17](#), the Port Commission authorized acceptance of the grant in April 2021. The Board of Supervisors authorized the Port to accept and expend the OPC grant funds in July 2021 by [Resolution 342-21](#). OPC approval of the detailed work plan and execution of the grant agreement are pending.

**CDFW Grant: Requesting Authorization to Accept and Expend**

The "Water Quality, Supply, and Infrastructure Improvement Act of 2014" (Proposition 1) authorized the California State Legislature to appropriate funds to CDFW to fund multi-benefit ecosystem restoration projects. CDFW's grant agreement specifies that the grantee will:

- Expend the grant funds and implement the Project in compliance with applicable federal and State of California law.
- Agree that if the Legislature does not appropriate sufficient funds during the fiscal year covered by the Agreement, CDFW may terminate the Agreement or amend it to reduce the amount of the award.
- Ensure that the Project and project site are properly operated, used, and maintained for the purpose stated in the grant agreement, which includes shoreline protection, habitat value, and public open space, for 25 years after the end of the grant agreement term.<sup>3</sup>

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<sup>2</sup> The shoreline construction is described in detail in the "[Informational presentation on Heron's Head Park Living Shoreline Project, San Francisco Bay Restoration Authority grant, and sole-source contract with Literacy for Environmental Justice](#)", dated August 7, 2021.

<sup>3</sup> 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

- Indemnify and hold the State harmless 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.
- Include language in any contracts for execution of grant-funded work that establishes State auditors' rights to examine records related to performance of grant-funded services and submit such contracts to CDFW for inclusion in the grant file;
- Acknowledge the funding source, the Water Quality, Supply, and Infrastructure Improvement Act of 2014, commonly referred to as Proposition 1, and the CDFW in signs, posters, reports, publications, presentations, and all other written, verbal, and digital communications about the Project.

All CDFW grant funds will be used to construct the resilient shoreline at Heron's Head Park. The CDFW grant does not require any matching funds from the Port, but existing Port resources will be allocated to project management, grant and contract administration, and construction support from the design engineer. Additional funding may be required to fully implement the Project. Port staff, City Attorney, and City Risk Manager have reviewed the grant agreement and found it to be consistent with other grants from the State of California as well as consistent with the scope and objectives of the Project.

### **Project Cost and Phasing**

At the Port Commission's April 13, 2021 meeting, Port staff requested Commission authorization to accept and expend OPC grant funds. At that time, the total estimated cost to implement all elements of the Project was \$4.28 Million. This included restoration of wetland habitat behind the stabilized shoreline and five years of post-construction monitoring. The estimate was based on 100% engineering design and 3<sup>rd</sup>-party peer review and assumed use of donated sand and gravel.

Due to the unusual nature of the work (resulting in smaller pool of qualified and available contractors) and uncertainty related to seasonal, tidal, and environmental protection constraints on construction<sup>4</sup> and competitive bidding environment in mid-2022, the cost estimate has been refined to include a 15% contingency. The current estimate to complete all elements of the Project is \$4.691M, of which \$1.1M is for marsh habitat restoration, maintenance, and monitoring, and \$3.591M is for shoreline construction.

The estimated cost and funding status for implementing the project in phases are

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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.

<sup>4</sup> Work must occur during wet weather season, work must pause if endangered species is seen in the work area, and some work can only occur during low tide.

summarized below.

Scope	Estimated Cost	Funding Status
<b>Already Funded or Partially Funded Project Elements:</b>		
<b>Wetland revegetation, Phase 1</b>	\$297,000	Funded by grant from SFBRA
<b>Shoreline stabilization</b>	\$3,591,000	Funded by \$1.667M grant from OPC and \$1.493M grant from CDFW, pending Port Commission and Board of Supervisors approval. Additional \$431,000 from Port capital or other source required to meet the total estimated construction cost.
<b>Project Elements Still Requiring Funding:</b>		
<b>Wetland revegetation, Phase 2</b>	\$495,000	Recommended for additional SFBRA grant funding, subject to task-specific approvals.
<b>Post-Construction Monitoring</b>	\$308,000	Same as above re. SFBRA grant funding.
<b>Total Estimated Project Cost \$4,691,000</b>		

**Schedule for Shoreline Stabilization**

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

Port Commission Authorization to Accept and Expend CDFW Grant.	September 14, 2021
Board of Supervisors Authorization to Accept and Expend CDFW Grant.	October 26, 2021
Execute Grant Agreement with CDFW	November 2021
Secure additional funding for construction	Ongoing through March 2022.
Advertise, bid, and award construction contract, subject to availability of funds for shoreline construction.	March – July 2022.
Construct shoreline	August 2022 – January 2023

**Recommendation**

Port staff requests the Port Commission approve the attached resolution authorizing staff to accept and expend \$1,493,000 in grant funds from the CDFW, subject to Board of Supervisors approval; approve the Grant Agreement; and, upon Board of Supervisors’ approval, authorize the Executive Director to execute and implement the Grant Agreement with CDFW to partially fund construction of the shoreline stabilization element of the Heron’s Head Park Shoreline Resilience Project.

Prepared by: Carol Bach  
Environmental Affairs Manager

For: Ming Yeung  
Acting Deputy Director, Planning  
& Environment Division

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

**RESOLUTION NO. 21-38**

- WHEREAS Proposition 1, the Water Quality, Supply, and Infrastructure Improvement Act of 2014 authorized the Legislature to appropriate funds to the California Department of Fish and Wildlife (CDFW) to fund multi-benefit ecosystem and watershed restoration and protection projects; and
- WHEREAS on February 17, 2021, the Port applied for grant funds from the CDFW to construct a natural infrastructure-based shoreline to prevent erosion and enable sea level rise adaptation at Heron’s Head Park; and
- WHEREAS on June 15, 2021, the CDFW announced its award of \$1,493,000 for the Heron’s Head Park Shoreline Resilience Project; and
- WHEREAS the CDFW 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 September 10, 2021 (“Grant Agreement”); and
- WHEREAS under the City Administrative Code Section 10.170-1, 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; and
- WHEREAS the shoreline stabilization to be funded by CDFW is categorically exempt from the California Environmental Quality Act; now therefore be it
- RESOLVED that the Port Commission authorizes the Executive Director to accept and expend \$1,493,000 in grant funds from the California Department of Fish & Wildlife for the Heron’s Head Park Shoreline Resilience Project, 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 and 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 September 14, 2021.***

DocuSigned by:

*Carl Nicita*

Secretary

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