

### REPORT TO COUNCIL

#### SUBJECT

Accept the Addendum to the Water Pollution Control Plant Master Plan Program EIR, Authorize the City Manager to Accept Grant Funds, and Execute a Sub-recipient Grant Agreement and Approve Budget Modification No. 39 to Appropriate \$380,000 from the San Francisco Bay Water Quality Improvement Fund Grant for the Caribbean Drive Green Street Demonstration Project

#### GRANT SUMMARY

In May 2016, the San Francisco Estuary Partnership (SFEP), a program of the Association of Bay Area Governments (ABAG), submitted an application to US Environmental Protection Agency (EPA) Region 9 for funding through the San Francisco Bay Water Quality Improvement Fund (SFBWQIF) for the Healthy Watersheds, Resilient Baylands Project (Project). The Project is a multi-strategy effort to develop integrated multi-benefit actions that support healthy watersheds and bayland resilience. The City of Sunnyvale is a partner in the Project which includes \$380,000 in grant funds to fund the construction of a Green Street demonstration project in concert with the Clean Water Program's Bay Trail Relocation and Enhancement Project.

The City will leverage grant resources and funding for the Caribbean Drive Green Street Demonstration Project, which will integrate bioretention rain gardens along with the relocated parking for Bay Trail access along Caribbean Drive. The bioretention rain gardens are a new and complementary component of the existing priority project for the Clean Water Program and would result in a prominent demonstration of multi-benefit urban greening concepts and create a unique watershed-to-baylands educational setting for daily Bay Trail visitors and neighboring corporate employees. Traditionally, the primary objective of bioretention features (a form of green stormwater infrastructure) has been to slow, treat, and infiltrate stormwater through specially designed landscaping, thereby minimizing or treating stormwater before it enters local waterways. One of the Project's goals is to influence bioretention plant selection so that these features can also have broader ecological benefits. In this case, this can be accomplished by selecting plant species that are commonly found in the baylands ecosystem over the plants that have traditionally been used in bioretention features.

The Regulatory Programs Division in the Environmental Services Department will be responsible for the management of the grant and will coordinate with the Department of Public Works.

#### Granting Agency

The Healthy Watersheds, Resilient Baylands Project is administered and managed by SFEP, which was established in 1988 by the State of California and the U.S. Environmental Protection Agency under the Clean Water Act's National Estuary Program, when the San Francisco Estuary was designated as an estuary of national significance. SFEP is a collaboration of local, state, and federal agencies, NGOs, academia and business leaders working to protect and restore the San Francisco

## Bay-Delta Estuary.

Since 2008, EPA Region 9 has partnered with organizations across the nine Bay Area counties through the SFBWQIF, restoring streams, wetlands, and water quality from the Napa River in the North Bay to the salt ponds in the South Bay. The SFBWQIF priorities are to support projects that enhance aquatic habitat, restore impaired waters, and reduce polluted stormwater runoff. Consistent with program priorities, projects are tracked in three categories: restoring wetlands, restoring water quality, and greening development (e.g., Low Impact Development). EPA Region 9 awarded an SFBWQIF grant in the amount of \$1,667,683 to ABAG/SFEP for the implementation of the Project. The City is a partner in the grant project and a sub-recipient of the grant funds. The sub-recipient grant agreement (Attachment 1) is between ABAG, a joint powers agency acting on behalf of SFEP, and the City.

## **EXISTING POLICY**

### **Council Policy 7.1.5 Donations, Contributions and Sponsorships:**

The City Manager may apply for grants of any dollar amount, but shall notify the Council when grants are being pursued pursuant to Council Policy 7.1.1 (Fiscal - Long Range Goals and Financial Policies), B.4. (Grants and Intergovernmental Assistance). Any grants of \$100,000 or more, or that require a local match or obligate the City to ongoing expenses, shall require Council approval of a budget modification before funds can be expended by staff. The budget modification shall include the use to which the grant will be placed; the objectives or goals of the City that will be achieved through use of the grant; the local match required, if any, plus the source of the local match; any increased cost to be locally funded upon termination of the grant; and the ability of the City to administer the grant.

Pursuant to Sunnyvale Charter Section 1305, at any meeting after the adoption of the budget, the City Council may amend or supplement the budget by motion adopted by affirmative votes of at least four members so as to authorize the transfer of unused balances appropriated for one purpose to another, or to appropriate available revenue not included in the budget.

This grant does not meet all of the criteria to be administratively appropriated by the City Manager; therefore, a budget modification is required. Grant funds from EPA Region 9 have external reporting requirements and fall under the federal single audit guidelines.

## **ENVIRONMENTAL REVIEW**

On August 23, 2016, the City Council certified the Program Environmental Impact Report for the Sunnyvale Water Pollution Control Plant Master Plan (SCH #2015062037) (Master Plan PEIR). Section 15164 of the CEQA Guidelines provides that an agency shall prepare an addendum to a previously-certified EIR if some changes are necessary but none of the conditions described in Section 15162 of the CEQA Guidelines have occurred that would require preparation of the subsequent EIR. Under Section 15162, a subsequent EIR is required when there are substantial changes to the project or circumstances that require major revisions to the previous EIR due to the involvement of new significant environment effects or substantially more severe impacts than were discussed in the EIR.

Analysis of the proposed project, which involves construction of bioretention rain gardens and relocated parking for Bay Trail access along Caribbean Drive, determined that the impacts will be similar to, or less than, those attributable to the project described in the Master Plan PEIR. As a

result, an addendum to the Master Plan EIR has been prepared that explains the reasons why a subsequent EIR or MND is not required (Attachment 2). Pursuant to Section 15164 of the CEQA Guidelines, an addendum is not circulated for public review but must be considered by the decision-making body (i.e., City Council) prior to making a decision on the project.

### **FISCAL IMPACT**

The SFBWQIF grant includes a 50% local match requirement. Sunnyvale will be providing a local match of \$400,000 through approved Project 831510 Green Streets for Stormwater. The City will be responsible for ongoing maintenance of the green street features upon completion of the project.

Budget Modification No. 39 has been prepared to appropriate San Francisco Bay Water Quality Improvement Fund grant in the amount of \$380,000 for the Caribbean Drive Green Street Demonstration Project to Project 831510, Green Streets for Stormwater. This project is funded by General Fund funding in the Wastewater Management Fund. The Budget figures below represent available carryover funding and new project funding allocated in FY 2017/18.

#### **Budget Modification No. 39 FY 2017/18**

	<b>Current</b>	<b>Increase/ (Decrease)</b>	<b>Revised</b>
<b>Wastewater Management Fund</b>			
<u>Revenues</u>			
Project 831510-Green Streets for Stormwater San Francisco Bay Water Quality Improvement Grant	\$0	\$380,000	\$380,000
<u>Expenditures</u>			
Project 831510-Green Streets for Stormwater	\$911,582	\$380,000	\$1,291,582

### **PUBLIC CONTACT**

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, at the Sunnyvale Senior Center, Community Center and Department of Public Safety; and by making the agenda and report available at the Sunnyvale Public Library, the Office of the City Clerk and on the City's website.

### **RECOMMENDATION**

Accept the Addendum to the Master Plan PEIR in Attachment 2 to the report, Authorize the City Manager to accept grant funds and execute a sub-recipient grant agreement with the Association of Bay Area Governments, and approve Budget Modification No. 39 to appropriate \$380,000 from the San Francisco Bay Water Quality Improvement Fund Grant for the Caribbean Drive Green Street Demonstration Project to Project 831510 Green Streets for Stormwater.

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Reviewed by: Teri Silva, Assistant City Manager

Approved by: Kent Steffens, City Manager

**ATTACHMENTS**

1. ABAG Sub-recipient Grant Agreement
2. Sunnyvale Water Pollution Control Plant Master Plan Program Environmental Impact Report Addendum