



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Kerrie Romanow
Jim Shannon

SUBJECT: SEE BELOW

DATE: June 10, 2021

Approved

Date

6/10/2021

COUNCIL DISTRICT: 2, 3, 4, 6, 7, & 9

SUBJECT: ACTIONS RELATED TO THE AGREEMENT WITH THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY FOR THE CLEAN CREEKS, HEALTHY WATERSHEDS PROJECT

RECOMMENDATION

- (a) Adopt a resolution authorizing the City Manager to:
 - (1) Negotiate and execute a grant agreement and other documents related with the United States Environmental Protection Agency (EPA) to fund the Clean Creeks, Healthy Watersheds Project if awarded for the term of July 1, 2021 through June 30, 2025, with a grant to the City in the amount of \$1,540,000, at a cost to the City over the term of the Agreement of \$1,540,000.
 - (2) Negotiate and execute agreements upon award of the grant with:
 - i. Keep Coyote Creek Beautiful, a non-profit 501(c)(3) corporation, for the term July 1, 2021 through June 30, 2025, to conduct volunteer trash cleanups and community outreach and education in an amount not to exceed \$500,000.
 - ii. South Bay Clean Creeks Coalition, a non-profit 501(c)(3) corporation, for the term July 1, 2021 through June 30, 2025, to conduct volunteer trash cleanups and community outreach and education in an amount not to exceed \$500,000; and
- (b) Adopt the following FY 2021-2022 Appropriation Ordinance and Funding Sources Resolution amendments in the General Fund:
 - (1) Increase the estimate for Revenue from the Federal Government by \$385,000.
 - (2) Establish a Citywide Clean Creeks, Healthy Watersheds appropriation to the Environmental Services Department in the amount of \$385,000.

OUTCOME

Approval of this recommendation will allow the City to accept grant funds and use local matching funds to implement the Clean Creeks, Healthy Watersheds Project. Through this project, the City and our partners will make substantial progress with reducing trash that results from unhoused communities in Coyote Creek, Guadalupe River, and Los Gatos Creek. Implementation of this project will also foster greater community awareness of local watersheds and their environmental significance.

BACKGROUND

Trash is a significant water quality issue in the Coyote and Guadalupe watersheds and the Municipal Regional National Pollutant Discharge Elimination System Stormwater Permit (Stormwater Permit) requires the City to demonstrate significant reductions. In 2011, the City implemented the Clean Creeks, Healthy Communities project which established the framework for the City's current programming to address trash in local waterways. This project was funded through the EPA San Francisco Bay Water Quality Improvement Fund (SFBWQIF) which provides grants to multi-benefit projects that significantly improve water quality and watershed resiliency. Recently, the City conducted assessments of trash in waterways and found that about 90% is from unhoused communities. The City applied for this grant to continue efforts that address these discharges.

In response to a Request for Applications from February 2020, the City applied for an EPA SFBWQIF grant. Although the City's project was not funded at that time, it was one of the top ten highly ranked projects. As 2020-2021 appropriated funds became available, the EPA notified the City in January 2021 that the Clean Creeks, Healthy Watersheds Project would receive full funding.

ANALYSIS

The Clean Creeks, Healthy Watersheds Project (Project) will bring together a collaboration of community groups, volunteers, non-profits, and City departments to holistically reduce trash in Coyote Creek, Guadalupe River, and Los Gatos Creek. The purpose of the Project is to demonstrate the efficacy of an integrated, multidisciplinary approach to reducing trash in urban creeks and to build on existing efforts to remove trash and improve water quality. As such, the Project will build on the City's existing Direct Discharge Trash Control Program, implemented under the City's Stormwater Permit, which focuses on reducing trash accumulation and water quality issues that emanate from unhoused communities along targeted project areas. The success of the Project will be measured by the amount of trash removed from the project areas, which ultimately supports revitalization of the local riparian corridor.

The project areas for this grant proposal are the three Direct Discharge Program Focus Zones.

Focus Zone 1: is along Coyote Creek from Interstate 880 to Yerba Buena Road;

Focus Zone 2: is along Guadalupe River from Highway 101 to Highway 85; and

Focus Zone 3: is along Los Gatos Creek from the confluence of Guadalupe River to Bascom Avenue.

Through strategic partnerships and coordination with local organizations supported by this grant, the City will:

- Clean up trash and debris in the proposed project area
- Conduct community outreach and education on the local watersheds
- Conduct outreach to unhoused individuals and provide resources for housing assistance
- Expand efforts to prevent impacts from unhoused communities

The total estimated cost to implement the Project over four years is \$3,080,000 and the EPA requires a 50% match to the award amount. The EPA grant will award \$1,540,000 to the City and the 50% matching funds will be provided through previously authorized City programs and agreements as described in the Cost Summary section below.

A main component of the Project will be to fund agreements with Keep Coyote Creek Beautiful and South Bay Clean Creeks Coalition, or other similar organizations, in an amount not to exceed \$500,000 each for the term of the grant. The organizations will conduct volunteer cleanups and organize outreach events that will highlight the watershed's wildlife, ecosystem, history, and the impacts of trash pollution. Grant funds will be used to expand creek cleanups and encampment trash removal efforts in the project area and provide trash collection and disposal. Additionally, the City will continue to work with non-profit partners to engage the unhoused community and refer individuals to services.

Lastly, the Project supports prevention of impacts from unhoused communities and restoration of habitat. EPA funding will be allocated to build and repair structural barriers in the project area to restrict access to select areas along waterways. Additionally, the City will coordinate with Valley Water through the City's Encampment Abatement, Trash Removal and Prevention Memorandum of Agreement to remove trash and debris buildup. This increases flood protection and restoration of riparian habitats.

This is a collaborative project that has been developed in coordination with several partners. Major roles of the Project partners include:

Project Partner	Role
Environmental Services Department (ESD)	Project management, grant and partnership coordination, and Project reporting
Housing Department	Outreach support to unhoused residents and supply distribution to unhoused communities to encourage trash removal
Parks, Recreation, and Neighborhood Services Department (PRNS) – BeautifySJ Program	Support for unhoused communities trash removal and prevention
Keep Coyote Creek Beautiful	Support healthy waterways through volunteer cleanups and outreach events
South Bay Clean Creeks Coalition	Support healthy waterways through volunteer cleanups and outreach events
Valley Water	Support trash removal efforts, in coordination with the City

CONCLUSION

Staff recommends that Council adopt a resolution authorizing the City Manager to negotiate and execute a grant agreement with the EPA to fund the Clean Creeks, Healthy Watersheds Project and execute agreements with non-profit partners Keep Coyote Creek Beautiful and South Bay Clean Creeks Coalition. The total estimated cost to implement the Project over four years is \$3,080,000, with a 50% required funding match, which the City will provide through previously approved existing or ongoing funding. This Project supports compliance with the Stormwater Permit, which requires the City to demonstrate significant reductions of trash in our waterways. The objective is to improve water quality through a multi-step, collaborative process, modeled after the City’s Direct Discharge Trash Control Program. Partners will engage with encampment residents, clean up trash from encampments and minimize impacts to allow habitat to recover. Grant funding will allow these efforts to continue and to expand.

EVALUATION AND FOLLOW-UP

Staff will develop metrics and work with Project partners to track progress over the term of the grant. Potential metrics include tracking the number of unhoused individuals living along waterways engaged and successfully referred to temporary housing, the amount of trash removed from creek cleanups, the number of community outreach events conducted, and the number of structural barriers installed or repaired. A summary of work conducted including outputs and outcomes achieved, along with invoices, will be submitted to the EPA in quarterly reports.

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CLIMATE SMART SAN JOSE

The recommendation in this memorandum has no effect on Climate Smart San José energy, water, or mobility goals.

POLICY ALTERNATIVES

Alternative 1: Do not Adopt a resolution authorizing the City Manager to negotiate and execute a grant agreement with the United States Environmental Protection Agency or authorize the City Manager to negotiate and execute agreements with subgrantees.

Pros: Reduced workload on City staff needed for grant agreement negotiation, grant reporting, and grant management.

Cons: Loss of grant funding totaling \$1,540,000 that would support local nonprofits and City efforts for trash reduction in San José creeks to help meet Stormwater Permit requirements.

Reason for not recommending: If the City does not accept this funding, other funding sources would need to be identified to continue supporting local non-profits and trash reduction efforts in San José creeks.

PUBLIC OUTREACH

This memorandum will be posted on the City Council Agenda website for the June 22, 2021 City Council meeting.

COORDINATION

The City coordinated with stakeholders throughout the grant application process. Each of the grant partners reviewed the Project proposal before it was submitted to the EPA. External partners are supportive and enthusiastic of this opportunity. The Project proposal was coordinated with Keep Coyote Creek Beautiful, South Bay Clean Creeks Coalition, Valley Water, and the Housing and PRNS departments.

This memorandum was coordinated with the City Attorney's Office and the Housing and PRNS departments.

COMMISSION RECOMMENDATION/INPUT

No commission recommendation or input is associated with this action.

COST SUMMARY

Total cost to implement the Project over four years is \$3,080,000. The EPA will provide funding in the amount of \$1,540,000 on a reimbursement basis as projects are completed during the multi-year grant period. An estimated local match of \$1,540,000, including in-kind services, will be provided by the City. Of this \$1,540,000, \$340,000 would come from the ESD’s General Fund Base Budget over four years, \$330,000 would come from the Housing Department’s homeless outreach contracts funded through Emergency Solutions Grant – CARES Act Second Round Allocation (ESG-CV2); \$300,000 would come from PRNS Department’s BeautifySJ Program contracts for encampment trash removal contractors; \$300,000 would come from volunteer creek cleanup labor; and \$270,000 would come from in-kind Environmental Services Department staff time.

Project Element	Total	EPA Funds	City Match	Source of City Match
Homeless Outreach	\$330,000	-	\$330,000	Homeless Outreach Provider Contracts in the Housing Department
Encampment Trash Removal	\$300,000	-	\$300,000	Encampment Trash Removal Contracts in PRNS
Trash Cleanup	\$1,240,000	\$900,000	\$340,000	Creek Cleanup Contracts in the ESD Department
Community Outreach	\$790,000	\$490,000	\$300,000	Volunteer Labor
Re-Encampment Prevention	\$150,000	\$150,000	-	-
Restoration	\$15,000	-	\$15,000	In-kind City staff labor
Project Metrics and Reporting	\$255,000	-	\$255,000	In-kind City staff labor
Total	\$3,080,000	\$1,540,000	\$1,540,000	

The grant total and amounts are listed by Fiscal Year in the table below. A total of \$385,000 is proposed to be allocated in 2021-2022, funded by EPA during the first year of the grant and includes creek cleanups and outreach events led by non-profits; trash collection and disposal by City crews; and creek cleanups and installation of gates at illegal dumpsite locations along Coyote Creek led by City contractors. The remainder of the grant funding of \$1,155,000 will be budgeted as part of future budget processes for trash cleanup, community outreach and re-encampment prevention. The grant and local match amounts are listed in the table below.

Project Element	Source	FY 21-22	FY 22-23	FY 23-24	FY 24-25	Total
Homeless Outreach	Match	\$330,000				\$330,000
	EPA					
Encampment Trash Removal	Match	\$300,000				\$300,000
	EPA					
Trash Cleanup	Match	\$85,000	\$85,000	\$85,000	\$85,000	\$340,000
	EPA	\$225,000	\$225,000	\$225,000	\$225,000	\$900,000
Community Outreach	Match	\$75,000	\$75,000	\$75,000	\$75,000	\$300,000
	EPA	\$122,500	\$122,500	\$122,500	\$122,500	\$490,000
Re-Encampment Prevention	Match					
	EPA	\$37,500	\$37,500	\$37,500	\$37,500	\$150,000
Restoration	Match	\$3,750	\$3,750	\$3,750	\$3,750	\$15,000
	EPA					
Project Metrics and Reporting	Match	\$63,750	\$63,750	\$63,750	\$63,750	\$255,000
	EPA					
Total		\$1,242,500	\$612,500	\$612,500	\$612,500	\$3,080,000

BUDGET REFERENCE

The table below identifies the fund and appropriations to fund the first year costs for the project.

Fund #	Appn. #	Appn. Name	Total Appn.	Recommended Budget Action	2021-2022 Proposed Operating Budget (Page)*	Last Budget Action (Date, Ord. No.)
001	New	Clean Creeks, Healthy Watersheds	N/A	\$385,000	N/A	N/A
001	R110	Revenue from Federal Government	\$736,395	\$385,000	VI - 34	N/A

* The 2021-2022 Proposed Operating Budget is scheduled to be adopted by City Council on June 22, 2021.

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CEQA


CEQA: Categorically Exempt, File No. PP21-100, CEQA Guidelines Section 15308, Actions by Regulatory Agencies for the Protection of the Environment.

/s/

KERRIE ROMANOW
Director, Environmental Services


JIM SHANNON
Budget Director

I hereby certify that there will be available for appropriation in the General Fund in the Fiscal Year 2021-2022 moneys in excess of those heretofore appropriated there from, said excess being at least \$385,000.


JIM SHANNON
Budget Director

For questions please contact Rajani Nair, Deputy Director, Watershed Protection Division, at 408-535-8306.