SAN FRANCISCO BAY
RESTORATION AUTHORITY

San Francisco Bay Restoration Authority
Independent Citizens Oversight Committee
Annual Report FY2024-2025
May XX, 2026

Governing Board
San Francisco Bay Restoration Authority
1515 Clay Street, 10th Floor
Oakland, CA 94612

Dear Chair Gioia and Members of the Governing Board:

The Independent Citizens Oversight Committee (Oversight Committee) is pleased to provide its eighth annual report regarding the San Francisco Bay Restoration Authority's (Authority's) financial operations and conformance with the provisions of Measure AA for Fiscal Year FY2024-2025**.**

The six members of the Oversight Committee are:

Jim Fiedler, Chair, East Bay Representative, Contra Costa County
Garth Hall, Vice-Chair, South Bay Representative, Santa Clara County
Arthur Deicke, At-Large Representative, Sonoma County
Demece Garepis, West Bay Representative, San Francisco County
Susan Ives, North Bay Representative, Marin County
Terry Young, At-Large Representative, Alameda County

In preparing its annual letter to the Governing Board, the Oversight Committee reviewed the Authority's FY2024-2025 financial statements, audit, budget, workplan, Annual Report, and individual project-related staff recommendations, the BRRIT 2025 Annual Report and other relevant documents.

Summary Finding: Based on our review, the Oversight Committee continues to find that Measure AA funds are being allocated appropriately for the purposes specified; that the Authority is managing its project portfolio well; and that its administrative services are well-organized.

The Oversight Committee recognizes that changes in federal policies and funding may impact the Authority's progress. We raised this concern in last year's annual letter and have learned from staff that these changes have not significantly impacted the Authority's progress to date.

1. FINANCIAL MANAGEMENT

The Oversight Committee reviewed the Authority's budget, financial statements, and audit. We find that the information is presented clearly in appropriate detail, and that it reflects sound management of the public's tax dollars. We congratulate the Authority on another clean audit.

In FY2024-2025 the Authority's revenue totaled $30.8 million with $25.9 million derived from the Measure AA Special Tax and $4.5 million from investment income. Expenditures totaled $23.8 million with $22.2 million for restoration/preservation and $1.6 million for general government expenses. The ending balance of funds available was $94.8 million, up $7.0 million from the prior year.

a. Allocation of Funds

Allocation to projects: A measure of the Authority's fiscal management is the extent to which it is allocating the incoming property tax dollars to restoration projects in a timely manner. For FY2024-2025 a total of $18.8 million in project grants were awarded from the $24.6 million available. Cumulatively, at the close of FY2024-2025, $181.8 million of the $195.3 million available to fund projects during the first eight years of Measure AA was allocated to projects; thus $13.5 million (seven percent) remained unallocated. This indicates that the Authority is proceeding with appropriate speed to approve grants for restoration projects.

Project completions: Projects approved by the Governing Board are proceeding at a reasonable pace towards completion. Delays have occurred for reasons such as the complex process of securing Corps of Engineers' dredging material suitable for shoreline habitat restoration; however, Authority staff project managers work with grantees and project co-sponsors to minimize delays.

The notable exception to this year's project timeline is the South Francisco Bay Shoreline Project, for which the remaining grant balance at the end of FY2024-2025 was $25.8 million -- larger than the Committee expected given the timeline for completion. This remaining grant balance is 42% of the $61.5 million awarded from FY 2017-2018 through FY 2022-2023. However, Authority staff explained that the timing of release of funds is being coordinated with federal agencies and other project sponsors. Staff anticipate the majority of the remaining Measure AA grant balance for this project will be utilized over the next two years.

Administrative costs: Cumulative administrative expenditures over the first eight years amounted to $10.4 million (including ballot costs), very close to the $10.3 million available for administrative costs based on 5% of Measure AA tax revenue. The Oversight Committee believes this degree of cost management is acceptable.

Separately, the Oversight Committee, in its May 8, 2025, letter (addressing the FY2023-2024 Annual Report), raised the question of how the Authority might consider allocating proceeds from its investments composed of US Treasury and Federal Home Loan Bank securities, which increased substantially over the prior two years. (By the end of FY2024-2025, the administrative based fund had a positive balance of $12.9 million.)

At its September 5, 2025, meeting, the Authority's Governing Board addressed this question in Agenda Item #11, based on a conservative analysis provided by the staff. Staff concluded that after projecting revenue and administrative costs for Measure AA, they determined that if interest income comes in as projected, then the Authority will be able to adequately fund administrative operations through the 20 years of Measure AA, including a multiyear wind down after Measure AA sunsets. In addition, projections show that the Authority would have enough funds to cover ballot costs. Staff also suggested: if these funds prove to be unneeded, they can be reallocated for other purposes. The Oversight Committee supports this approach.

[Note: as a placeholder, we may have something to say about the "Unassigned" total shown on page 10 of Crowe LLP's financial report.] The" Unassigned" total of $22.0 million is an increase of $9.4 million from the previous year ($12.6 million), which represents remaining funds allocated to the General Fund from other restrictions.

Finding 1a: The Oversight Committee's review of the audit, financial statements, and project-based budget demonstrates that the Authority's fiscal management remains sound. In addition, the Committee supports the Governing Board's direction at its September 5, 2025, meeting regarding use of investment income.

[no new recommendation]

b. County Collection Fees

In its May 8, 2025, letter to the Governing Board, the Oversight Committee expressed concern that collection fees paid by the Authority to the nine Bay Area counties to cover the costs for them to levy and collect the parcel tax vary widely, as a percentage, across the counties. (This issue has also been raised by the Committee in prior annual letters to the Governing Board.) The Oversight Committee understands that there are no guidelines or restrictions for what counties may charge to collect parcel taxes and without explanation, ranging from 0.85% to 6.34% of the county's levy.

Finding 1b: The opportunity that the Authority may have to seek more equity in the collection fees across the counties is limited given that there are no guidelines or restrictions for what counties may charge to collect parcel taxes.

Recommendation 1b: The Authority should remain alert to opportunities that may arise to encourage counties charging relatively high fees for Measure AA tax collection to review their approach to setting these fees in light of the approach used by the other counties providing Measure AA tax revenues to the Authority.

2. PROJECT PORTFOLIO MANAGEMENT

Impacts and benefits from projects are not limited to each individual project. The Oversight Committee believes that the impacts and benefits of the entire portfolio of projects are greater than the sum of its parts.

a. Project Selection

The Authority's eighth Request for Proposals, issued in July 2024, resulted in 17 applications requesting over $40 million dollars for restoration projects. The Authority's authorization of new projects continues to be in line with Measure AA targets for distribution of funds over the Bay Area Regions in proportion to population.

Approval of projects for construction (excluding project planning and excluding community grants), when aligned with Measure AA Campaign Goals (depicted on page 5 of the FY2024-2025 Annual Report), remains uneven, falling below target especially in shellfish habitat restoration, submerged aquatic vegetation restoration, and Bay Trail construction. However, the Authority is focused on strategies for bringing all restoration categories closer to targets. This letter discusses shellfish habitat restoration, submerged aquatic vegetation restoration and Bay Trail construction further below.

The Committee is pleased to see ongoing progress in FY 2024-2025 with Community Grant awards, including two new grants and two augmentations to prior grants.

b. Landscape-Scale Attributes

In its previous annual letters to the Governing Board, the Oversight Committee recommended the Authority work to optimize region-wide, landscape-level benefits, such as increased complexity of the habitat matrix; improved connectivity and wildlife corridors; and transition zones that can provide refugia, as well as marsh migration as sea level rises.

The Oversight Committee is pleased that the Authority includes reference in its FY2024-2025 Annual Report to the tidal marsh metrics developed by the Wetlands Regional Monitoring Program (WRMP). The graph provided on page 17 of the Annual Report represents *marsh extent*. For context, Authority projects, as of 2020, contributed to 16,600 acres of connected tidal marsh habitat. We understand that *marsh patch* (proximate location and size assessments) and *marsh condition* measures, as well as a depiction of *people and wetlands* will be added as metrics to the WRMP in 2026.

The WRMP tidal marsh measures are important. The Committee recognizes that development of landscape-wide measures such as these are collaborative and that it takes many years to

accomplish a fully useful set. As in the Authority's reliance upon the WRMP for tidal marsh measures, the Committee encourages the Authority to work with other entities such as universities and perhaps the San Francisco Estuary Institute to advance measures of landscape attributes for habitats including wetlands, shellfish beds, and sites suitable for submerged aquatic vegetation.

Finding 2a: The Authority has appropriately focused upon the Wetlands Regional Monitoring Program to reference performance measures for tidal marsh restoration projects. The Oversight Committee anticipates that these performance measures, among other tools, will help drive project selection to advance landscape-wide tidal marsh benefits.

Recommendation 2a: The Oversight Committee encourages the Authority to continue to work toward using shared data aggregation platforms with other organizations in developing tracking, data visualization, and performance measures for restoration projects in the Authority's portfolio, involving wetlands, shellfish beds, and submerged aquatic vegetation.

c. Economically Disadvantaged Communities

Providing benefits to economically disadvantaged communities (EDCs) is among the priorities of Measure AA. [1] The Authority is committed to advancing justice, equity, diversity, and inclusion through its grant programs and throughout its operations.

Over the past few years, the Authority has undertaken a series of initiatives to determine how best to engage with and benefit EDCs. These include developing Equity Guidelines and prioritizing eligible projects that offer benefits to EDCs.

The Authority's latest Annual Report devotes several pages to background and metrics on project benefits to EDCs. The Annual Report also documents that 77% of the projects authorized to date by the Governing Board provide benefits to EDCs. The Annual Report also details benefits that are likely to be realized by EDCs by project type, habitat type and acres and functionality (public access facilities, trails, levees). In future annual reports, staff will track additional metrics in accordance with the forthcoming Five-Year Equity Work Plan.

Last year the Oversight Committee inquired whether the Authority supported training programs for EDCs to do permit-related or regional monitoring to address three Measure AA priorities: EDCs, workforce development, and monitoring.

Finding 2b: The Authority is currently contributing to the WRMP, which has in its 5-year outlook to evaluate the feasibility of workforce training for EDCs and Tribes to assist with

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The Grant Program Guidelines state that: "An economically disadvantaged community (EDC) is defined as a community with a median household income less than 80% of the area median income (AMI). Within this set of low-income communities, communities of particular concern include those that: are historically underrepresented in the environmental policymaking and/or projects, bear a disproportionate environmental and health burden, are most vulnerable to climate change impacts due to lack of resources required for community resilience, or are severely burdened by housing costs, increasing the risk of displacement."

regional monitoring. Authority staff will work with the WRMP to monitor progress in this effort. The Authority continues direct community engagement to maximize the social, economic, and environmental benefits of Authority-funded projects to EDCs. The Authority has also taken important steps to bring economic and social benefits to EDC through Authority-funded projects. Two new Community Grant projects were funded in FY2024-2025: Literacy for Environmental Justice to implement the Southeast San Francisco Shoreline Stewards Project and San Bruno Mountain Watch for the Healing a Wounded Watershed with the Colma Creek Collective. Additionally, two augmentations, totaling $115,000, were approved for ongoing Community Grant Projects.

Recommendation 2b: We recommend that the Authority continue to encourage and report on workforce development among grantees through project selection, as well as within the WRMP. We also again recommend that the Authority create opportunities for EDC internships based on specific opportunities to career pathways the community identifies. Additionally, as it develops its Five-Year Equity Work Plan, the Authority should survey EDC members to measure their assessment and reaction to the efforts being undertaken by the Authority to achieve benefits in their communities. This assessment should be included in the Communication Audit discussed in Recommendation 5c below.

d. The Bay Trail

Measure AA Campaign Goals include constructing twenty-five miles of the Bay Trail. According to the Authority's FY2024-2025 Annual Report, progress on constructing Bay Trail remains at 13% (3.3 miles). Authority staff recognize the need to accelerate project funding to achieve the goal of twenty-five miles of Bay Trail.

In its October 18, 2024, memorandum to the Governing Board, staff indicate "If all the design projects were funded through the construction phase, this would result in 16.2 miles of Bay Trail, leaving a gap of 8.8 miles to reach the goal of 25 miles."

The Oversight Committee acknowledges that for improvements to public access or recreational amenities to be eligible for Authority funding, they must be included in a project that restores, enhances, or protects tidal wetlands, managed ponds, or natural habitats.

Finding 2c: To address the gap in current completion of the Bay Trail, as identified in the campaign goals, Authority staff are collaborating with MTC Bay Trail staff and other parties to assess further trail projects that may be eligible for Measure AA funding.

Recommendation 2c: Authority staff should continue collaborating with MTC Bay Trail staff and other partners to analyze what Bay Trail projects may be eligible for Measure AA funding. That analysis should evaluate whether it is feasible to achieve the remaining 8.8 miles of Bay Trail.

e. Shellfish and Submerged Aquatic Vegetation

Measure AA campaign goals include increasing shellfish habitat and submerged aquatic vegetation (SAV) habitat. To date, Measure AA has funded projects that will restore 2% of the 500-acre goal for shellfish habitat and 2% of the 150-acre goal for SAV habitat. The limited progress to date is reportedly due to several issues, including complex property ownership of intertidal and subtidal areas and a lack of habitat restoration experience among potential grantees. Importantly, the Authority has received and will consider for funding approval in 2026 proposals for shellfish habitat development and SAV.

The Authority staff, in collaboration with State Coastal Conservancy, the San Francisco Estuary Institute, and other agencies, are successfully expanding these target habitat types,[2] including sites targeted in the Regionally Advancing Living Shorelines (RALS) project. If funded, these projects could reach a total of 250 acres of shellfish enhancement and seventy-five acres of SAV habitat--approximately 50% of their respective Measure AA campaign goals. Equally important, RALS will provide engineering and permit-related tools to accelerate the development of future projects that expand shellfish and SAV habitat.

Finding 2d: The Authority has made progress to enhance shellfish habitat and SAV habitat and is moving forward in partnership to identify additional shellfish and SAV project sites and to develop plans for these sites. Potential grantees with the necessary skills are now beginning to submit proposals to undertake this work.

Recommendation 2d: The Authority should continue its efforts to restore habitats for shellfish and SAVs to achieve 50% or more of Measure AA campaign goals for these two habitat types.

3. PROJECT TRACKING

When the Authority authorizes a new project, such as a construction project, the costs for that project are distributed over the lifetime of the project. The Authority regularly tracks and reports on the yearly grant amounts, cumulative expenses, and remaining grant balances for each of the Authority-funded Projects.

Of the $181,771,715 approved for projects in the first eight years of the Measure AA program, 60% of the total funds ($109,236,476), was disbursed as of the end of FY 2024-2025, leaving 40% ($72,535,239) remaining for completing these previously approved projects. Clearly, a substantial amount of work remains to be completed on a number of the approved projects, particularly, construction projects, which may be subject to cost increases due to changes in scope, inflation, and other factors. Staff generally describes these cost-increase-driven conditions

[2] Staff memo to Governing Board on Plan to Achieve the Measure AA Campaign Goals and Distribution of Funding by Region, October 18, 2024.

as requiring "augmentation." In FY 2024-2025, augmentation was approved for an additional project[3], beyond the two augmentations described in the Committee's May 8, 2025, letter.

a. **Forecasting and Budgeting**

The Committee has previously noted that the Authority disburses project grant funds in phases, sometimes over several years. To better anticipate the need for potential "augmentation" it may be helpful for Authority staff to communicate the progress of a project over time, both in terms of the funds expended and work performed. Reporting both the percentage expended and the progress that has been made will aid the Authority Governing Board and the Oversight Committee in anticipating whether a project may need augmentation. It will also call out whether a project may be delayed, including whether it may extend beyond the sunset of Measure AA (prompting consideration of whether funding may be available and can be authorized beyond the Measure AA sunset date).

Authority staff prepared a September 20, 2025, memo addressed to the Oversight Committee, titled "Status of Restoration Authority Construction Projects Portfolio." For each of 15 construction projects, the memo states the awarded funds, cumulative expended funds, dollar augmentations (if any), and the total awarded funds yet to be expended. It also provides the currently approved completion year. Tabulation in this memo does not include quantification of the work performed to date and of the work remaining to be performed. In the absence of this data, the Oversight Committee requests that future similar reports on status of construction projects include a staff assessment, either graphically or in words, of whether the project is on track in terms of scope completion together with a brief description of any significant issues that may impact the project's completion.

Finding 3a: The Authority tracks and reports for each Authority-funded construction project: grant amount, augmentation amount (if any), cumulative expenses, remaining grant balance, and approved project completion date.

Recommendation 3a: To better assess project status, the Oversight Committee recommends that the status of construction projects be prepared biennially. These future reports should include a staff assessment, either graphically or in words, of whether the project is on track in terms of scope completion together with a brief description of any significant issues that may hinder the project's completion by the approved completion date. This information should be reported alongside the information stated in the Finding above.

[3] Augmentation of $386,000 was made to the originally approved $3,082,000 grant for the Tiscornia Marsh Restoration and Sea Level Rise Adaptation project to reflect a change in the proposed phasing of construction and anticipated construction costs for the first phase. Final design and permitting have since been delayed due to design changes to address utility infrastructure concerns, so the grant completion date was extended to March 31, 2027.

4. BAY RESTORATION REGULATORY INTEGRATION TEAM

The Oversight Committee iterates its support for the Bay Restoration Regulatory Integration Team (BRRIT). In the last five years, thirty-five multi-benefit restoration projects have come before BRRIT, eleven of which have been fully permitted.

We reviewed the BRRIT 2025 Annual Report and noted these accomplishments and progress:

- completed permitting for the Novato Deer Island Tidal Wetlands Restoration Project, seven projects are in the application phase and 17 are in the pre-application phase.
- provided agency-coordinated guidance and feedback to project proponents in a timely manner following pre-application meetings, with 76% of responses sent within 30 days (the target timeframe set by the BRRIT).

In June 2024, the Authority and BRRIT developed a new online survey tool to request feedback from project proponents. Many survey respondents thought that using the BRRIT resulted in a better project that was more beneficial for species and habitat, recreation, flood protection, and water quality. However, only half of respondents agreed that permitting requirements, efficiencies, and strategies for multi-benefit restoration projects were well-communicated by the BRRIT. These surveys provide valuable feedback that informs the BRRIT on what is working well and the areas for improvement.

Fundraising for the second five-year funding period is complete with a total of $8,900,000. secured. The Oversight Committee supports the continued funding for BRRIT.

Finding 4a: The Oversight Committee reiterates its strong support for the BRRIT and the improvements it continues to achieve in the permitting process.

Recommendation 4a: If, in the future, the Authority finds that increasing the capacity of the BRRIT will enable more projects to be funded and implemented on shorter timelines, the Oversight Committee supports increasing the funding to BRRIT, including consideration of using investment interest income.

5. COMMUNICATIONS

a. Annual Report

The Authority produces an annual report and maintains a robust website. It is not clear to the Oversight Committee what other collateral materials the Authority may provide, if any, or their intended audiences.

The Authority annual report appears to be targeted at internal audiences (governing board, oversight committee and perhaps, public officials). The annual report describes the Authority's mission (presumably well known to its internal audiences) and is largely dedicated to charts displaying costs and other project metrics. It foregoes describing the projects funded, or the benefits these projects, completed and in progress, confer to the public that funded them. This limits the report's versatility as a device for raising awareness, understanding and political and

public support for the Authority's work. Given the time and effort afforded by the annual report, this is a missed opportunity.

As conceived, the annual report's information could be presented in a simple document and displayed online. Ideally, the 32-page full-color annual report would be a workhorse for the Authority's outreach efforts—useful to elected officials and other Bay-centric agencies and NGOs. It could acknowledge the collaborations that make these restoration projects possible, and the benefits taxpayers derive from these projects. Publishing the work of EDC is of high value to taxpayers.

Given the significant staff time and effort that goes into this publication, we encourage the Authority to expand its audiences and rethink the annual report as a vehicle not only for information, but also engagement. This recommendation also applies to the 10-year anniversary report the Authority is now or soon will be formulating.

b. Ten-year Anniversary of Measure AA

The Authority has an impressive track record, and the 10-year anniversary is an opportunity to showcase that record. Given limited communications capacity, the Oversight Committee suggests that the Authority start now to pursue collaboration with agencies and NGOs engaged in Bay science, restoration, recreation, and preservation, to amplify the ongoing efforts to improve the Bay and, by extension, the quality of life for the Bay Area.

A joint communications plan could leverage each organization's plans and capacity to tell a story of the Bay's ongoing repair and challenges. A joint communications plan could also leverage each group's political and media contacts and potentially engage and motivate memberships in advance of a potential ballot initiative for Measure AA's renewal and, as an example, collaboration with the GHAD (Geologic Hazard Abatement District) plan to create marsh migration zones.

c. Communications Audit:

A communications audit provides an overview of the Authority's current outreach (i.e., website, brochures, news releases, video, etc.) and the intended audience. An audit looks at the intentions of the communication (what do we want audiences to think/do?) and assesses whether primary (and secondary) audiences are being reached effectively including the work of EDCs. It also assesses consistency in messaging and branding (graphical identity) across platforms. Its purpose is to inform (not necessarily expand) the Authority's current and future communications. This audit might be arranged on a pro-bon basis.

Finding 5a: The Authority produces an annual report that appears to be largely targeted at internal audiences (governing board, oversight committee, grantees and perhaps, public officials). However, this limits the annual report's versatility as a device for raising awareness, understanding and political and public support for the Authority's work.

Recommendation 5a: We encourage the Authority to expand its audiences and rethink the annual report as a vehicle not only for information, but also engagement.

Recommendation 5b: As it approaches its tenth anniversary, the Authority should develop a communication plan in collaboration with agencies and NGO's engaged in Bay science, restoration, recreation and preservation, to amplify the ongoing efforts to improve the Bay and, by extension, the quality of life for the Bay Area, to raise awareness of the work going on around the Bay and strengthen people's understanding of and connection to the Bay that unites us.

Recommendation 5c: The Authority should undertake a communications audit to assess and make recommendations on the Authority's current outreach (i.e., website, brochures, news releases, video, etc.) and the intended audiences. An audit could examine the intent of communication, whether audiences are being reached effectively and inform the Authority's current and future communications. This audit might be arranged on a pro-bono basis.

6. APPLYING LESSONS LEARNED

When a project is completed, staff provides the grantee with a report template to capture lessons learned and other critical information, such as in what ways the project was successful and advice the grantee might offer to a similar project. Grantees also complete a Grantee Feedback Survey to help improve the grantmaking process.

In February 2026 Staff provided the Advisory Committee with an overview of major lessons learned from the twenty-five completed Authority projects. Authority staff will continue to collect Lessons Learned Reports. Staff may provide this overview document to grantees as needed, or update and post it online periodically for grantees and the public to access.

Finding 6a: The Authority staff provides a feedback mechanism for grantees to give input to improve the grant process.

Recommendation 6a. Capturing and archiving experiences encountered in project management and sharing those lessons with grantees and future public officials attempting large-scale restoration projects helps create a culture of institutional learning and inform future restoration efforts.

7. LOOKING TO THE FUTURE

The Oversight Committee acknowledges that the changing political, legal, and regulatory environment may have impacts on the Authority's capacity, project selection, monitoring, and reporting. At the same time, the Oversight Committee recognizes that new funding challenges and opportunities could positively and negatively affect future Authority projects.

Among various long-term changing conditions, we encourage the Authority to stay updated on:

- The life spans of Measure AA projects to the extent that they may be affected by rising sea levels, anticipating that remedial work may be needed to sustain project benefits.

- Whether funding available to agencies from Proposition 4 (the California Climate Bond) may contribute to some projects funded under Measure AA or considering GHAD marsh migration zones.

- Scenarios in which federal policy changes, including budget and staffing cuts, could impact Authority funded projects, including BRRIT.

Recommendation 7a: The Oversight Committee recommends that the Authority continue to track studies by key scientific organizations identifying potential climate impacts including sea level rise affecting Measure AA projects.

Recommendation 7b: The Committee recommends that the Authority remain alert to recent federal funding and policy changes that may affect Measure AA projects that receive federal funds and that Authority staff report any such impacts in forthcoming annual reports or in memoranda to the Governing Board. Potential Proposition 4 funding for Measure AA proposed projects should also be included in forthcoming annual reports or in memoranda to the Governing Board.

IN REFLECTION

In our view, the passage of Measure AA in 2016 remains visionary, and the work of the Authority since then has helped to lead the way for an accelerating pace of adaptation and restoration. Towards that end we are encouraged by the excellent work done by the Authority. We look forward to continuing to collaborate with the Authority and the Governing Board to achieve the goals we all share.

Respectfully submitted,

Jim Fiedler
Chair, Independent Citizens Oversight Committee