



SAN FRANCISCO BAY
RESTORATION AUTHORITY

San Francisco Bay Restoration Authority
Independent Citizens Oversight Committee
DRAFT Annual Review Letter FY 2019/20

May 27, 2021

Committee Members

Paul Jones, Chair, At-Large Representative, San Mateo County

Terry Young, Vice Chair At-Large Representative, Alameda County

Don Arnold, South Bay Representative, Santa Clara County

Nancy Cave, West Bay Representative, San Francisco County

Jim Fiedler, East Bay Representative, Contra Costa County

Doug Wallace, North Bay Representative, Marin County

Governing Board

San Francisco Bay Restoration Authority

1515 Clay Street, 10th Floor

Oakland, CA 94612

Dear Governing Board Members,

This letter constitutes the annual conformance review undertaken by the Independent Citizens Oversight Committee (ICOC) of the San Francisco Bay Restoration Authority (Authority) during the period of July 1, 2019 to June 30, 2020. The ICOC has six members from around the Bay with over 150 years of combined experience tackling the challenges of aquatic resource regulation, habitat restoration and enhancement of the Bay's recreational resources. Individual committee members have a range of expertise in wetlands, restoration, water, flood control, environmental and project monitoring, trail projects and how best to select and implement projects. We have a breadth of experience managing government funding programs. Due to

Covid 19 restrictions, we have operated virtually again this year, and while this has allowed the ICOC to continue its oversight mandate, we look forward to meeting in person again someday. Paul Jones is our current Chair and Dr. Terry Young has agreed to be the new Vice Chair.

Our oversight review has included the language and history of Measure AA itself, the FY 2019-2020 Annual Report, the Staff Work Plan and Budget for FY 19/20 and the associated FY 19/20 financial statements, the independent auditor's report for FY 19/20, and the recommended Grant Program Round 4 projects. In addition, we have had presentations on the Wetland Regional Monitoring Program (WRMP), the Bay Restoration Regulatory Integration Team (BRRIT), the independent auditor's report, and the Staff Work Plan and Budget for FY 19/20. We reviewed our recommendations from last year and discussed how Authority staff has been addressing those recommendations. We have interviewed the Authority staff to better understand their recommendations on several financial and program decisions. Based on our review, we have come to the following conclusions and recommendations.

- The San Francisco Bay Restoration Authority is continuing to pursue a solid selection and implementation process for restoration projects as envisioned by Bay Area voters when they approved this historic measure to increase the health and resilience of the Bay. It has authorized numerous high-quality restoration projects, as summarized in the Annual Report, that will provide important environmental, recreational and climate adaptation benefits for the Bay Area.
- The Authority staff continues to be open and receptive to our inquiries and recommendations. They have progressed on all, and completed some, of the recommendations made in past years by the ICOC.
- The Authority received another clean audit report from an independent auditing firm, is using sound fiscal management, and is spending the funds raised by Measure AA in conformance with the law. The Authority Staff have continued to adapt to and advance the Authority's business during the Covid-19 Shelter-in-Place Orders.
- [Placeholder for additional conclusions and recommendations]
- [Placeholder for conclusions regarding the process for and results of project selection]

Overall Financial Tracking

As stated last year, the ICOC recommends the Authority clarify that funds have been authorized, committed, programmed, and obligated to specific projects, even if not yet spent by project applicants. We understand that staff is working on new graphics to better address this recommendation. The new graphics will give readers a sense of when funds will be actually

spent. For example, in Table 4 of the Annual Report, it can be misconstrued by the reader that the “Remaining Grant Balance” is an amount unallocated by the SFBRA when in fact it represents allocated funds that remain to be spent by the project sponsor from the original award amount. Perhaps in a sidebar, staff could explain, as we suggested last year, the entire project funding and financial tracking process and how it takes time to move a project from a Board authorization to grant agreement and work program, and then to invoicing for multiple years of funding as the approved project is implemented.

It is abundantly clear to the ICOC, now in its third review cycle, that the Authority is on solid financial footing. It has three clean, unqualified audits of its finances. While not necessarily a rule, we generally feel that organizations with excellent financial management tend to have equally good management in other aspects of their operations. This appears to be the case with the Authority. The balance of reserves to project balances is healthy and the Authority has allocated approximately 84% of its available funds over the past 3 years. These are excellent indicators that the Staff, Advisory Committee, and Board of Governors are all doing their best to effectively manage the program.

Staff Work Plan and Operating Budget

Last year, we reviewed the staff work plan and operating budget and commended staff for their efficiency. We anticipated that the work would evolve in scale and complexity. Our review of the work plan for the current and next year, as well as the operating budget, continues to show that the number of staff is expanding to meet the challenges of additional projects at an appropriate level to maintain this efficiency and the quality of the work.

As our region and our nation continue to struggle with the legacy of racial inequality, the ICOC believes it is important for those of us involved in environmental restoration efforts to reach out to communities of color. These communities have historically not been meaningfully consulted or engaged in environmental decision-making even though they have often been disproportionately impacted by pollution and health hazards. We believe it is important to ensure that they have equal access to the decision-making process and have a healthy place to live, learn, work, and enjoy the benefits of improved access to nature. The ICOC was pleased to see that environmental justice reforms are being implemented (short term and long term) as reflected in the Authority staff work plan. In addition to having a consultant create a report, the Advisory Committee has been focusing a lot of their time on shaping these reforms. We encourage the Advisory Committee to continue to pursue these efforts.

Interest Income

We continue to support the current allocation of interest to the operating budget, particularly while ballot costs are still being paid. However, the ICOC continues to encourage the Authority to improve its future estimates of interest income and allocate that income in future budgets to best meet the needs of the overall program.

Summary Statement on SFBRA's Efforts to Address ICOC Issues

The Authority has done an excellent job of addressing issues raised by the ICOC during the past two review cycles. We appreciate that a concerted effort will be made in the coming year to address the issue of project funding cycles, including the creation of a graphic that will show the amounts funded, spent to date, and remaining balance (both for a given project and cumulatively for all projects and all years). We also very much appreciate Staff reaching out to disadvantaged communities and efforts to fill regional project gaps. We also understand from Staff presentations that while currently there are no projects funded for the Campaign Goal areas of "shellfish habitat" and "submerged aquatic vegetation," there have been talks with prospective project applicants in those areas. We're hopeful that these discussions will yield successful project applications in the near future.

BRRIT

The ICOC continues its strong support of the Bay Restoration Regulatory Integration Team (BRRIT). It is an important tool to assure that projects comply with various regulatory requirements in an efficient manner, ideally resulting in lower costs and greater benefits for the protected Bay environment. During this fiscal year, the BRRIT is fully staffed and trained. It is showing promise for improving the permitting process for the participating agencies. It has initiated the pre-application and permitting processing for 13 projects as well as completing related administrative tasks.

The ICOC recommends that the BRRIT and Authority Staff demonstrate the efficiency of the BRRIT process. For example, during the next year Authority Staff should show how much time is saved by applicants who go through the BRRIT process as opposed to the pre-BRRIT project approval process. Authority Staff should also assess how the BRRIT could be improved. Most importantly, we are concerned that the BRRIT continue into the future fully funded and staffed for the continued success of Measure AA goals. The ICOC supports the BRRIT and encourages the Authority to find ways to guarantee funding well into the future. Reducing the burden of permitting on SFBRA applicants is a critically important task.

Building for the Future and Managing Expectations

As we stated last year, "the restoration of the San Francisco Bay will fundamentally improve the Bay Area for decades to come. That vision, which is embodied in the strategic goals for Measure AA, is bold and ambitious." In our view, restoration is imperative. Yet Measure AA may be only a down payment on the efforts required to achieve its goal: to restore and protect the ecological health of the Bay for the benefit of fish, wildlife, natural habitats and the human communities that surround them. For example, one of Measure AA's campaign goals is to restore 15,000 acres of wetlands and tidal marsh; however, the 1999 Baylands Ecosystem Habitat Goals Report recommended restoring 100,000 acres of tidal marsh to best support the

Bay's native species. Each of Measure AA's other campaign goals similarly can be framed as part of a larger, long-term need to be achieved for the Bay's benefit.

We recommend that the Authority assess these overarching regional goals and begin to present them as context in future reports. We need to continue to improve messaging to the public about the importance of these resources in a time of change, possibly rapid change, brought on by large-scale alterations to our climate and ongoing anthropogenic stressors. We provide more specificity on this recommendation below in "Tracking Campaign Goals, Performance Measures and Beyond."

Moreover, while no one expects Bay Area taxpayers to shoulder the entire burden of restoration and improving resilience for the future, we know that the work must continue. We encourage the Governing Board to start planning for the next steps, including laying the groundwork for reauthorizing Measure AA or otherwise addressing the unmet needs.

Geographic Distribution and Specific Campaign Goals

We are pleased that some of the issues identified from last year were addressed. Obviously, because of the large amount of funding promised to the South SF Bay Shoreline project, that regional goal has been met. We support continued efforts to reach out to the North, East, and West Bay areas to fulfill those regional needs.

The ICOC would encourage the Authority to continue to find ways to meet established goals for the categories of shellfish habitat (500 acres) and submerged aquatic vegetation (150 acres). Staff informed us of preliminary steps with project sponsors to begin to address these areas, and we encourage them to keep up with those efforts.

Tracking Campaign Goals, Performance Measures and Beyond

As mentioned above, the ICOC would like to see additional work in the area of addressing how projects fit into a larger landscape-scale context. We break this recommended work into three components: summarizing goals for the ecological system (to supplement the Measure AA Campaign Goals); using these expanded goals to inform project selection; and judging project success, both individually and as a cumulative set.

Recognizing that summarizing the larger goals for the ecological system is no small task, the ICOC does not envision doing original analysis, but rather extracting representative benchmarks from studies already available. For example, recent studies have augmented our knowledge not only about the number of acres of restoration required and which habitats should be represented, but also how these habitats should be arranged on the landscape to maximize the long-term benefits for both wildlife and people. In more specific technical terms, the goals would then encompass habitat extent, landscape composition, and landscape pattern or

structure – which includes connectivity between habitat patches. These additional goals or benchmarks provide valuable context for judging the benefits of Measure AA projects and may help to attract additional state and federal funding.

Similarly, we suggest that the Measure AA goals related to community benefits, such as miles of levees and Bay Trail constructed, also be supplemented with any relevant information that provides Bay-wide context. In each case, we also suggest that the goals or benchmarks be considered for incorporation into performance measures or another logical reporting and communication mechanism.

This expanded list of goals or benchmarks should be used to assess future projects for funding, as a supplement to the scoring system already used by the Authority staff and Advisory Committee. The ICOC is aware that the project selection process, as reflected in the staff recommendation, already gives consideration to a particular project's conformance with a long list of Bay area studies and policies such as the South Bay Salt Ponds Restoration Project, the Sonoma Creek Baylands Strategy, the SF Baylands Ecosystem Habitat Goals, the SF Bay Subtidal Habitat Goals, SF Bay Joint Venture's Implementation Strategy, BCDC's Coastal Management Program and more. We suggest that the Authority formalize this existing consideration into a coherent framework, and ultimately provide a tool to identify and nurture projects that are particularly important to complete the landscape.

With respect to judging project success, the ICOC supports making a concerted effort to integrate project data (largely done on a permit-by-permit basis) into system-wide information, not only by tracking progress toward its primary obligation of meeting campaign goals, but also its contribution toward the larger ecosystem goals described above.

Project sponsors need to collect data and information on permit compliance, but also on the delivery of ecosystem services that are delineated in those permits. These are two very different activities. The first is relatively simple and is a recitation of whether things were done as stipulated in the permit conditions. The second is more elusive and requires multiple levels of temporal and spatial analysis. We suggest that the WRMP is the best body to help with identification of overarching metrics (and associated methods) that each permit holder can perform, which will assist with answering system-wide questions about ecosystem function. The WRMP should work closely with the BRRIT to stitch together the regulatory requirements for monitoring so that duplication is eliminated and streamlining is maximized. In so doing, projects funded by the SFBRA can and should contribute to answering the broader management questions (such as "are we meeting the Measure AA Campaign Goals?") while simultaneously addressing project-specific questions about site performance. These two levels of monitoring dovetail through coordination. In so doing, the data collected should be comparable between and among projects, thus saving on monitoring costs through greater efficiency and the elimination of duplication.

The ICOC understands that these recommendations, while important, are a big ask and that the Authority staff is already working at full capacity. For this reason, we endorse the notion of

contractual assistance to assist the staff in these efforts. Particularly in the case of integrating project data, contractual assistance may be necessary to compile this information, synthesize who is doing what and to what end, and to make recommendations to wetland and aquatic resource managers, including the Governing Board, on ways to integrate monitoring efforts.

EcoAtlas Dashboard

Last year, we encouraged the Authority to fund the production of a video or tutorial on the use of the EcoAtlas or to have staff create one so the public can use this interactive tool. This year, we reiterate that suggestion in order to encourage the public and even prospective applicants the opportunity to drill deeper into the EcoAtlas' capabilities of showing project data.

As for overall efforts to understand how the restoration efforts are performing and how they can be improved, the ICOC continues to advocate for an efficient, forward-looking approach using tools like the above-mentioned goals and WRMP, in addition to the EcoAtlas, to document progress towards our restoration objectives.

Outreach and Communication in Unsettled Times

The ICOC recommends that the Authority's project managers put deliverables, project schedules and milestones, funding information and how a particular project is contributing to meeting Campaign Goals on the website in a form that is readily available and understandable to the public. Staff informed the ICOC that there will be an update to the website next year, and we think this would be a good time to address this issue.

Last year, we congratulated the Authority for its efforts to deal with the dual challenges of the pandemic and unsettled social times. We are pleased that the Authority's staff has kept up a "focus on environmental justice and partnership with people of color" as these issues have not gone away. If anything, because of the expected long-term effects of the economic slowdown due to the coronavirus, there is a greater need to reach out to historically marginalized communities to ensure engagement in the Bay's restoration efforts and with its recreational opportunities.

This report was approved by the Independent Citizens Oversight Committee at its meeting held on _____ .

Respectfully Submitted,

Paul Jones
Independent Citizens Oversight Committee, Chair