



MEMORANDUM

DATE: June 18, 2021

TO: **Governing Board**
San Francisco Bay Restoration Authority

FROM: Jessica Davenport, Deputy Program Manager
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San Francisco Bay Restoration Authority

SUBJECT: Geographic Distribution of Funds

Background

At the April 16, 2021 Governing Board meeting, staff presented an overview of Measure AA's Grant Round 4. The agenda item covered 1) the list of projects that staff would like to recommend for funding and the amount of funding recommended for each project, 2) a summary of the Authority's progress towards the 20-year targets set by Measure AA for distribution of funding across the four regions of the Bay Area, and 3) the amount of funding that has been authorized for construction versus planning projects.

The Board requested more detailed information about the project selection process, particularly with respect to meeting Measure AA's geographic funding distribution goals. The Board also requested additional information about how to ensure that future funding will be distributed in proportion to each of the four region's share of the Bay Area population.

In this memo, staff has provided more context for the Authority's progress towards its funding targets and an explanation of the project selection process for Grant Round 4. Staff has also compiled projections of future design and implementation costs for planning projects currently funded by the Authority, as well as funding needs of projects that would help meet the Measure AA campaign goals¹ regarding improving subtidal habitats for shellfish and eelgrass, goals that have not yet been funded by the Authority. This information is intended to support the Board's efforts to ensure that the Authority supports projects in regions that need to receive more funding to reach their funding targets over the 20-year period of Measure AA, as well as projects that achieve the campaign goals.

¹ Goals related to habitat restoration, flood protection, and public access were set during the campaign to pass Measure AA. The Authority tracks progress toward these goals, along with other performance measures, in its annual reports and on the Authority's EcoAtlas Dashboard, located at <https://www.ecoatlas.org/dashboard/sfbraDashboard.php>.

Geographic Distribution of Funds

Measure AA requires that revenue be allocated to projects throughout the region, with 50% of funds allocated to the four Bay Area regions in proportion to each region's share of the Bay Area's population, as determined in the 2010 census, and 50% allocated without regard to region. The minimum percentages that will be allocated to each of the four Bay Area regions are listed below:

- North Bay (Sonoma, Marin, Napa and Solano Counties) = 9% minimum allocation;
- East Bay (Alameda and Contra Costa Counties) = 18% minimum allocation;
- West Bay (City and County of San Francisco and San Mateo County) = 11% minimum allocation; and
- South Bay (Santa Clara County) = 12% minimum allocation.

The 20-year targets for minimum allocations were calculated assuming that Measure AA generates approximately \$500 million over twenty years. The table below show progress towards these targets.

	North Bay	East Bay	West Bay	South Bay
Rounds 1 - 4 Projects	\$13,792,304	\$19,421,450	\$14,276,574	\$67,449,465
20-Year Target	\$45,000,000	\$90,000,000	\$55,000,000	\$60,000,000
% of 20-Year Target	31%	22%	26%	100%
At 20% of target? (Year 4 out of 20)	Yes	Yes	Yes	Yes

As noted in the table, we would expect each region to be at least 20% of the way toward its target after four out of twenty years of the Measure AA parcel tax period, and the table shows that all regions are on track.

Round 4 Project Selection Process

In July of 2020, the Authority released the Request for Proposals for the fourth round of Measure AA's grant program. Grant applications were due in October of 2020. Over the next several months, seven staff and nine Advisory Committee members reviewed the proposals. Staff then created the list of recommended projects which was presented to the Governing Board in April of 2021.

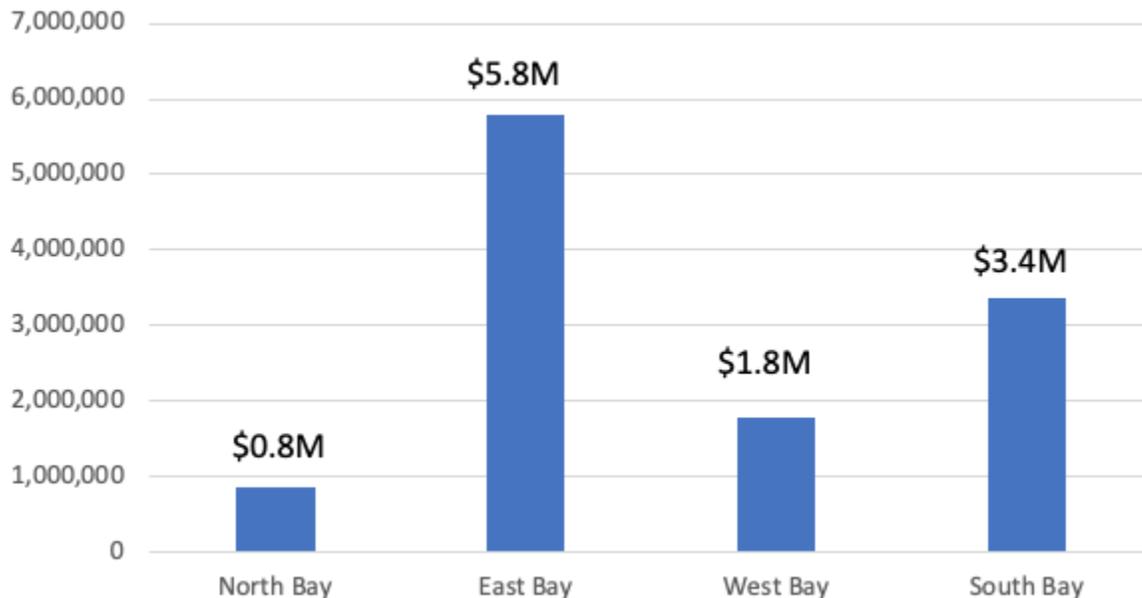
In the evaluation process, staff and Advisory Committee (AC) members reviewed proposals based on the Request for Proposal's eligibility criteria, prioritization criteria, and the project's likelihood of success. Evaluation criteria included the extent to which the project would implement multiple goals of Measure AA, especially the habitat restoration goal; how close the project was to implementation; whether the project would benefit economically disadvantaged communities; whether the landowner had expressed strong support for the project, if the project proponent is not the landowner; the strength of relationships with community-based

organizations or other partners; and other criteria. Reviewers scored proposals; ranked them as high, medium, or low priority projects; and gave qualitative feedback on strengths and weaknesses of the proposals.

To determine the list of recommended projects that would be presented to the Governing Board, staff began with the quantitative scoring, but took many qualitative factors into consideration. Staff had robust discussions with AC reviewers to parse through the strengths and weaknesses of proposals relative to one another. Staff also paid attention to reviewers' priority rankings (high, medium, or low), the geographic distribution of project sites, and the amount of funds available in the current grant round, among other factors.

With respect to geographic distribution of funds, staff was aware of the need to ensure adequate funding for the East Bay region, and two implementation projects with large funding amounts are recommended, Coyote Hills Restoration and Public Access Project (\$3.5 million) and Terminal Four Wharf Removal Project (\$2.3 million). These two projects, totaling \$5.8 million, comprise 49 percent of the funding available in Round 4. Staff was also aware of the need to fund more projects in the West Bay, including San Mateo County, which has received minimal funding to date. In this grant round, staff recommended two projects in the North Bay, two in the East Bay, three in the West Bay, and one in the South Bay.

Figure 1. Round 4 Recommended Funding Amount (\$) by Region



Reviewers' evaluation comments are provided to applicants upon request, and staff may suggest other appropriate funding sources for projects that do not receive Authority funds. Some unsuccessful applicants return in a later grant round and submit improved proposals based on Authority feedback. For example, East Bay Regional Park District (EBRPD) received a planning grant for the Coyote Hills Restoration and Public Access Project (Coyote Hills) in Round 2. Their application for Coyote Hills implementation funds in Round 3 was not successful and staff provided feedback on weaknesses that needed to be addressed. EBRPD then submitted an

improved application in Grant Round 4, and implementation funds for the Coyote Hills project will be recommended to the Governing Board at this meeting.

Rationale for Round 4 Project Selection and Funding Amounts

The applications received in Round 4 and recommended funding amounts are listed in **Attachment 1**. The rationales for selection of recommended projects and funding amounts (if staff is recommending partial funding) are provided below. Scores are in parentheses following each project name.

North Bay

- **McInnis Marsh Restoration Project (82)**. This project, in the final design and permitting phase, addresses three out of four of Measure AA's programs. The project will restore 180 acres of tidal wetlands at McInnis Marsh, benefiting multiple special status species, and dredged materials from Gallinas Creek, located next to the site, will be beneficially reused for the marsh restoration. The project will include public access by constructing Bay Trail on top of an ecotone levee and will provide flood protection for the adjacent wastewater treatment plant.
- **Evolving Shorelines Project at Bothin Marsh (78)**. The project, soon to enter the 35% design phase, will improve tidal circulation and manage ever-increasing flooding by providing high marsh habitat refugia and relocating or elevating the heavily used Bay Trail. The project partners are looking into establishing a connection between Coyote Creek and South Bothin Marsh to allow sediment to flow into the marsh and maintain its elevation in the face of sea level rise. Extensive, broad-based stakeholder advice and input has gone into earlier visioning and conceptual design phases.

East Bay

- **Coyote Hills (89)**. This implementation project will restore 149 acres of a valuable mix habitats with proximity to Eden Landing Ecological Reserve and Don Edwards National Wildlife Refuge. A range of salt tolerant native plants will be used to adapt to changing climate and groundwater conditions. The planned park amenities will be an asset for surrounding communities, including economically disadvantaged communities (EDCs). Given EBRPD's ability to use its own funding and raise funds elsewhere, staff is recommending partial funding of \$3.5 million, rather than the \$4.5 million requested. This project has already been awarded grants from other sources, but may need additional funds in the future if pending applications are unsuccessful.
- **Terminal Four Wharf Removal Project (87)**. This is a multi-benefit implementation project that will remove toxic structures along the shoreline while restoring natural shoreline protection adjacent to the largest eelgrass bed in the estuary. It will restore oyster and eelgrass habitat, two of the Measure AA campaign goals that have not been addressed by implementation projects funded to date. Based on the project's recent success in obtaining funding from other sources, the recommended grant amount was reduced from \$3 million to \$2.3 million. This grant leverages \$3 million in mitigation and settlement funds, which will be passed through the State Coastal Conservancy, but the

project may need additional funds in the future if the construction bids come in higher than expected.

West Bay

- **Baylands Habitat Restoration and Community Engagement in East Palo Alto (88).** This implementation project will enhance a priority habitat, the marsh-upland transition zone, along a recently completed segment of the Bay Trail at Midpeninsula Regional Open Space District's Ravenswood Preserve. The applicant, Grassroots Ecology, will work closely with community-based organizations, such as Climate Resilient Communities, and the partners plan to meaningfully engage 800 youth and 400 unique volunteers from the EDC of East Palo Alto in planting native plants and removing invasives.
- **Colma Creek Restoration and Adaptation Project (82).** This planning project in the City of South San Francisco will lead to restoration of a relatively large amount of habitat (115 acres) for an urban area, including expanding habitat for Ridgway's rail. Planning to date has prioritized restoration while also addressing flood protection needs and enhancing public access. The project, which would connect residents of South San Francisco to the Bay, has included significant community engagement in the development of conceptual designs through the Resilient by Design Challenge.
- **Shoreline Park – Burlingame (77).** This planning project, which integrates public access and recreation with habitat restoration and education, is located in the heavily urbanized portion of the Central Bay and will likely see a lot of public use. This is a rare example of a private not-for-profit policy research firm (SPHERE Institute) adjacent to the site contributing their own time and resources toward shoreline restoration. They are working with the highly experienced San Mateo Resource Conservation District as their public agency partner. Given the high cost of planning for very small amount of acreage, staff is recommending partial funding of \$500,000, rather than the \$2 million requested.

South Bay

- **Calabazas/San Tomas Aquino Creek-Marsh Connection Project (92).** This was the highest scoring project, due to its potential to enable 1440 acres of tidal marsh habitat to keep up with sea level rise by restoring the natural process of sediment flow to the wetlands, a priority of the Baylands Ecosystem Habitat Goals Science Update (2015). This is the planning phase of a multi-benefit project covering all 4 Measure AA priorities by reconnecting creeks to tidal wetlands, sustaining tidal marshes that act as natural filters to improve water quality, and adding nature-based flood protection and public access trails. The cost is very high for a planning project, so the proposed funding amount was reduced from \$3.87 million to \$3.37 million. Valley Water will provide a cash contribution and significant in-kind support for the project.

The following projects scored relatively well (over 75 points) but are not being recommended at this time, due to the factors described below:

- **Eden Landing Shoreline Resilience (86).** This is a strong implementation project, and is part of the previously funded South Bay Salt Ponds Restoration Project, but Authority funds are not needed at this time because the project will be receiving a large grant (\$15 million) from the State Coastal Conservancy which will cover the proposed tasks, as well as additional work.
- **Berkeley North Basin (83).** The extent of the habitat benefits in this early phase planning project proposed by EBRPD are vague. An implementation project with clear habitat benefits proposed by EBRPD, the Coyote Hills Project, is being recommended for funding in this round. The project would be stronger if EBRPD and the City of Berkeley, which owns the adjacent Berkeley Marina park, combined forces to develop one collaborative project in this area.
- **Community-Based Restoration and Stewardship of California's First Urban State Park (81).** Community engagement is a strength of this implementation project led by Literacy for Environmental Justice at Candlestick Point State Recreation Area, but the long-term benefits to wildlife are unclear. Staff recommends that a scaled-down version of this project be funded through the Measure AA Community Grants Program after additional consultation with the landowner, California State Parks.
- **Rodeo Living Shoreline (78).** This planning project led by the Contra Costa Resource Conservation District appears to be primarily a flood protection project for the Rodeo Sanitary District, with some habitat restoration and potential public access benefits. The proposal states that EBRPD is the landowner of the proposed site of the Rodeo Living Levee, but they are not listed as a project partner and did not provide a letter of support. This project could benefit from further development in collaboration with the landowner.

The six remaining projects scored less than 75 points and are not discussed here.

Projections of Future Project Costs

To ensure that funding will be distributed in proportion to each of the four region's share of the Bay Area population over the 20-year period of Measure AA, it will be helpful to track funding needs by region.

In response to the Board's request, staff compiled information about future funding needs from grantees who have been funded by the Authority for the planning phase of their projects. In addition, staff sought information about funding needs of other significant forthcoming projects, including those that address the Measure AA Campaign Goals of improving habitat for shellfish and submerged aquatic vegetation, such as oysters and eelgrass, goals that are only being addressed for the first time in the current grant round by the Terminal Four Wharf Removal Project. In addition, the San Francisco Bay Joint Venture provided information on the funding needs of other shoreline habitat restoration projects, and several of those were also added to the table. Most of the figures in the table are very rough estimates, as many projects have not yet initiated their design phases. In addition, staff included only projects with the greatest funding needs. See **Attachment 2** for details.

Those grantees currently funded for planning projects provided rough estimates of their future funding needs. In cases in which the estimate was provided in the form of a range, staff used the upper end of the range. Inclusion of projects in the table does not mean that these projects will necessarily be funded by the Authority, and exclusion from the table does not mean projects will not be funded, as each project would need to be evaluated based on the Authority’s criteria at the time of submission of an application.

The table indicates that all regions are expected to have funding needs that exceed the 20-year targets for Measure AA’s geographic distribution of funds, and thus it will be possible to meet these targets.

A high-level summary of the table is provided here:

	North Bay	East Bay	West Bay	South Bay
Rounds 1 - 4 Projects	\$13,792,304	\$19,421,450	\$14,276,574	\$67,449,465
Estimated Need	\$610,808,304	\$138,105,960	\$86,225,945	\$104,024,465
20-Year Target	\$45,000,000	\$90,000,000	\$55,000,000	\$60,000,000
% of 20-Year Target	1357%	153%	157%	173%