



MEMORANDUM

DATE: February 25, 2022
TO: Governing Board
San Francisco Bay Restoration Authority
FROM: Amy Hutzler, Executive Officer
Jessica Davenport, Deputy Program Manager
San Francisco Bay Restoration Authority
SUBJECT: Staff's Anticipated Recommendations on Projects to be Considered for Funding in Grant Round 5

This memo provides the staff's anticipated recommendations on projects to be considered for funding in Grant Round 5, a summary of the project selection process, and the reviewers' rationales for selection of specific projects in this grant round. It also includes a recommendation to skip the 2022 Request for Proposals and an update on the expected cumulative distribution of funding by region and project phase if the listed projects are authorized.

Grant Round 5 Overview

In response to its fifth grant solicitation, which closed on October 7, 2021, the San Francisco Bay Restoration Authority (Authority) received 18 applications requesting a total of approximately \$56 million. Although the Authority has close to \$23 million available annually, only about \$10.1 million of the total \$23 million is available for Round 5 projects.

This year's reduced funding availability is due to the Authority's 2019 authorization to fund the South San Francisco Bay Shoreline Project at a rate of approximately \$11.4 million per year for five years, and due to the Authority's 2021 authorization to fund the Science Elements of the Wetlands Regional Monitoring Program at approximately \$1.5 million in the current fiscal year (FY21-22). The McInnis Marsh Restoration Project, recommended for full funding for planning in Round 4 at \$610,000, has been withdrawn due to complications with an adjacent landowner, making that funding available for other projects. However, two contracts with regulatory agencies dedicating staff to the Bay Restoration Regulatory Integration Team needed to be amended for a total of approximately \$880,000 in the current fiscal year.

Staff and members of the Advisory Committee reviewed and scored the Grant Round 5 applications and obtained additional information from applicants, as needed. Based on the process described in detail below, staff developed the following list of six projects we anticipate recommending for funding in Grant Round 5, listed in descending order of dollar amount:

- San Leandro Treatment Wetland for Pollution Reduction, Habitat Enhancement, and Shoreline Resiliency
- Tiscornia Marsh Restoration and Sea Level Rise Adaptation Project (partial funding)
- Strategy to Advance Flood Protection, Ecosystems and Recreation along San Francisco Bay - SAFER Bay Project (partial funding)
- Burlingame Shoreline Park

- De-Pave Park Planning (partial funding)
- Regionally Advancing Living Shorelines in San Francisco Bay (partial funding)

These include four planning projects and two construction projects. Please see Attachment 1 for the full list of projects, including brief project descriptions, and funding amounts requested and recommended. Staff has sent letters to proponents indicating these anticipated recommendations and will bring projects to the Governing Board as they are ready for consideration and possible approval of funding.

Recommendation to Skip Request for Proposals in 2022

Given the large number of high-scoring projects in Round 5 and the fact that the Authority's available funds are expected to be approximately \$11.5 million in FY22-23, staff recommends that the Authority forgo issuing a Request for Proposals (RFP) in 2022. Staff proposes instead ask applicants from Grant Round 5 that are still in need of funds to submit updated schedules and budgets, as well as any relevant project updates, by early October 2022. Staff recommends issuing the next Request for Proposals in mid-2023, at which time the five-year commitment to the South Bay Shoreline Project will have been fulfilled and the Authority will again have approximately \$21.5 million available for FY23-24. (The total available will be reduced from \$23 million by the second installment of \$1.5 million for the Authority's three-year commitment to the WRMP.) The unfunded portion of projects from the Round 5 RFP totals approximately \$46 million.

Round 5 Project Selection Process

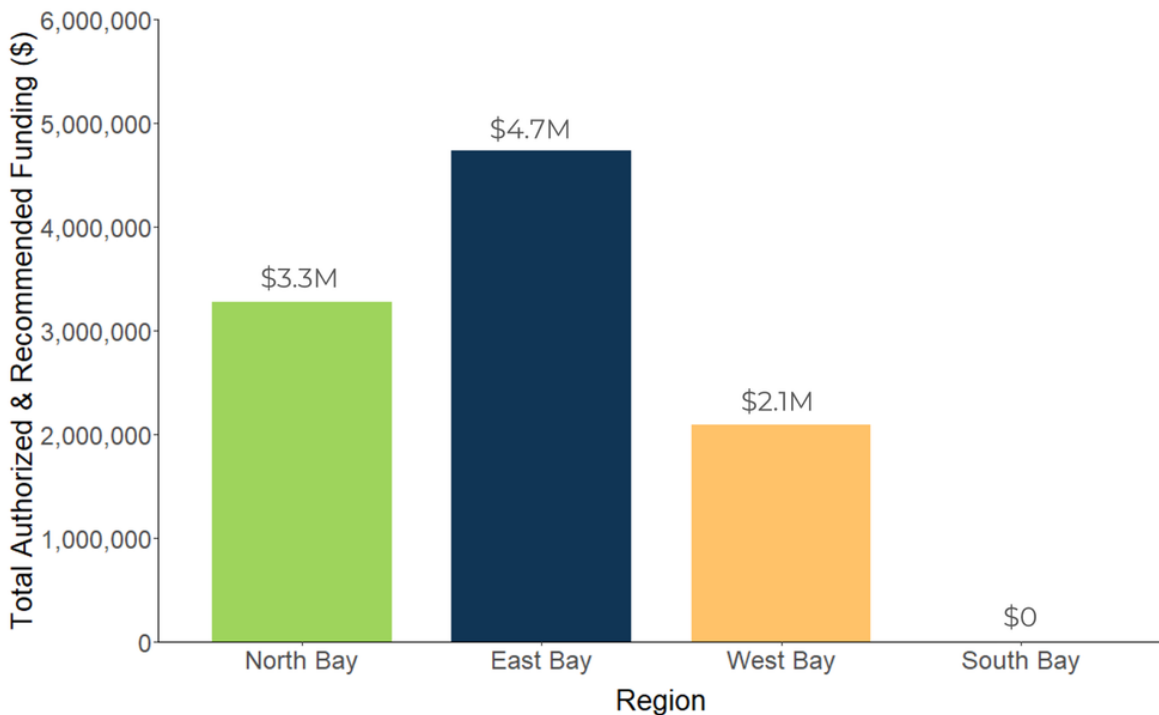
In the evaluation process, staff and Advisory Committee (AC) members reviewed proposals based on the Request for Proposal's eligibility criteria, prioritization criteria, and the project's likelihood of success. Evaluation criteria included the extent to which the project would implement multiple goals of Measure AA, especially the habitat restoration goal; how close the project was to construction or on-the-ground 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; for acquisitions, whether the applicant had obtained a willing-seller letter; 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. Staff anticipate recommending one East Bay implementation project with a large funding amount, the San Leandro Treatment Wetland for Pollution Reduction, Habitat Enhancement, and Shoreline Resiliency (\$3.7 million). One East Bay planning project, De-Pave Park Planning (\$800,000) is also anticipated to be recommended. These two projects, totaling \$4.5 million, comprise 45 percent of the funding available in Round

5. Staff was also aware of the need to fund more projects in the West Bay, and two West Bay planning projects are anticipated to be recommended. In this grant round, staff anticipate recommending one project in the North Bay, two in the East Bay, two in the West Bay, none in the South Bay, and one project covering multiple regions.

Round 5 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, The City of Alameda’s application for the De-Pave Park Planning Project in Round 4 was not successful and staff provided feedback on weaknesses that needed to be addressed. The City then submitted an improved application in Grant Round 5, and the project is included in this year’s list of recommended projects.

Rationale for Round 5 Project Selection and Funding Amounts

The applications received in Round 5 and anticipated recommendations for funding amounts are listed in Attachment 1. The rationales for selection of projects and funding amounts (if staff anticipates recommending partial funding) are provided below. Scores are in parentheses following each project name.

North Bay

- **Tiscornia Marsh Restoration and Sea Level Rise Adaptation Project (90).** The project addresses all four Measure AA Program Areas on the 20-acre Tiscornia site. Marin Audubon Society (MAS) will expand existing tidal marsh habitat by using dredged

material to rebuild part of the marsh that has eroded, construct a coarse beach that will protect the restored tidal marsh from future erosion, open a diked marsh to tidal action, and create an ecotone transition zone. The project will increase flood protection and provide public access by raising the levee along the edge of the site and constructing a segment of Bay Trail. The Authority funded the planning, environmental documentation, and initial community engagement phase of this project in Round 2. The proposed grant will enable MAS to work with Environmental Science Associates to complete final designs and permitting, and to work with community-based partner Multicultural Center of Marin to engage residents of the Canal community in the project. The proposed grant will also provide partial funding for construction, but the grantee will need to raise funds from other sources or come back to the Authority next year to request additional funds before they can go out to bid.

East Bay

- **San Leandro Treatment Wetland for Pollution Reduction, Habitat Enhancement, and Shoreline Resiliency (89).** This construction project, which will improve water quality and create habitat by restoring a 4.3-acre wastewater storage basin to create a multi-benefit treatment wetland at the City of San Leandro's Water Pollution Control Plant (WPCP), was funded for design and permitting in Round 1. Implementation of this project will significantly improve habitat conditions at a contaminated shoreline site and is anticipated to reduce nitrogen waste from San Leandro's WPCP by at least 15 to 20 percent. Staff anticipates proposing to provide the full amount of funding requested to enable final permitting and construction. The funds are being matched by the grantee, so that the Authority would be providing less than 50 percent of the total cost.
- **De-Pave Park Planning (87).** When fully designed and constructed, the project will create approximately 18 acres of habitats, including subtidal areas, tidal wetlands, and uplands. The park will be designed to evolve with sea level rise to include a growing amount of baylands with continued public access from a raised boardwalk. Staff anticipates proposing to provide partial funding, which would support the City of Alameda in conducting a master plan process and developing 30% design plans over the next two years. The City would need to raise funds elsewhere or come back to the Authority for additional funds to complete permitting and construct the project.

West Bay

- **Strategy to Advance Flood Protection, Ecosystems and Recreation along San Francisco Bay-SAFER Bay Project (86).** The San Francisquito Creek Joint Powers Authority intends to implement nature-based flood protection through marsh restoration and ecotone levees, including at least 570 acres of bayland habitat improvements. Former salt ponds R1 and R2 within the Ravenswood Pond Complex of the South Bay Salt Ponds Project would be restored and would buffer engineered levees from waves and erosion. Staff anticipates recommending partial funding to support initial design, environmental documentation, associated technical studies, and a community outreach and education program. Given the high cost of planning for this large, complex project, and the Authority's limited available funding in this round, the applicant will need to do significant additional fundraising to move this project forward. However, given the significant flood control benefits associated with the project, it is likely to be eligible for a wide range of infrastructure and flood mitigation funding sources. Therefore, staff

considers the proposed share of Authority funding to be reasonable for the current planning phase.

- **Burlingame Shoreline Park (85).** The project, currently in the planning phase, will transform a 9.4-acre vacant parcel of State-owned bayfront land into a public nature and recreation park and will include restoration of approximately 3-3.5 acres of tidal marsh and transition zone habitats in one of the few remaining suitable locations along the City of Burlingame's heavily developed shoreline. Staff anticipates proposing to supplement the partial funding provided in Round 4 with the full amount requested in Round 5. This will enable the grantee, SPHERE, to continue the previously funded work: conducting studies, advancing the plans and designs, conducting community engagement, preparing environmental documentation, negotiating a lease with the State Lands Commission, and preparing permit applications necessary for regulatory review.

Multiple Regions

- **Regionally Advancing Living Shorelines in San Francisco Bay (81).** This project, proposed by San Francisco Estuary Institute in partnership with the State Coastal Conservancy (Conservancy) and others, is a comprehensive approach to advancing living shorelines in the East Bay, West Bay, and part of the Marin County shoreline, through coordinated planning, design, permitting, and monitoring. The project would build on the living shorelines demonstration projects conducted to date and engage a wider network of partners to scale up and integrate these nature-based restoration approaches within traditional shoreline master planning, sea level rise adaptation planning, and ongoing shoreline management. Living shoreline projects frequently include enhancing habitat for shellfish and submerged aquatic vegetation, two of the Measure AA Campaign Goals on which the Authority has struggled to make progress. Therefore, although this project scored lower than some of the others, staff anticipates recommending partial funding to get the project started, including support for establishing a more formal mechanism for coordination with all partners, conducting baseline monitoring, starting a programmatic permitting approach, and assembling design teams. The project partners will seek matching funds from the Conservancy and others to support the full project scope.

The following projects scored relatively well (over 80 points) and would provide significant benefits but are not being recommended at this time, due to the factors described below:

- **Napa River Estuary Enhancement and Public Access Project (84).** This acquisition project proposed by the Napa County Flood Control and Water Conservation District would enable the eventual restoration and development of public access facilities on 58 acres of historic tidal marshland within the lower reach of the Napa River through the strategic breaching of levees and development of a boardwalk and kayak boat launch ramp. The urgency is low because the District does not yet have a purchase agreement in place with the landowner. In addition, the cost is very high, at \$94,000 per acre. This compares to the recently authorized Camp 4 acquisition in the Sonoma Creek Baylands, which was approximately \$6,000 per acre.
- **Eden Landing Plover Habitat Enhancement and Transition Zone Restoration (83).** The San Francisco Bay Bird Observatory proposes to restore 15 acres of marsh upland transition zone habitat by removing weeds and planting native species and to enhance up to 492 acres of critical Western snowy plover habitat by placing oyster shell on pond

bottoms at Eden Landing Ecological Reserve, part of the South Bay Salt Ponds Project. This project could be funded as part of a larger proposal for tidal marsh restoration at Eden Landing that the South Bay Salt Ponds Project partners plan to submit to the Authority in the next two to three years.

- **Lower College of Marin Corte Madera Creek Habitat Restoration Project (82).** The project, proposed by the Friends of Corte Madera Creek in partnership with the Marin County Flood Control and Water Conservation District and others, will enhance habitat and benefit fish and wildlife by replacing a concrete channel with 1.4 acres of natural vegetation and reduce flood risk by increasing the capacity of the channel. Staff is not recommending this project because the Authority has already funded eleven projects in the North Bay, including five in Marin County.
- **Newark Baylands – Acquisition, Interim Management and Restoration Planning (81).** The Trust for Public Land proposes to acquire 430 acres of Newark Baylands (Area 4) on Mowry Slough and the western boundary of the City of Newark. It is adjacent to the Don Edwards San Francisco Bay National Wildlife Refuge and within the Refuge’s legal boundary. If not protected, the property will be developed into 469 luxury homes, filling historic tidal wetlands, impacting special status and endangered species, and losing a natural transition zone that enables tidal marsh migration inland as sea levels rise. The project is not urgent because there is no agreement in place with the landowner. In addition, the cost is extremely high at approximately \$186,000 per acre. This is twice the cost of the Napa acquisition described above, and over 30 times higher than the Camp 4 acquisition.

The remaining projects in Grant Round 5 also scored relatively well (75-79 points), compared to the range in past years. Additional information about these projects is included in Attachment 1.

The following sections describe the expected cumulative distribution of funding by region and project phase if the recommended projects are authorized.

Cumulative Distribution by Region

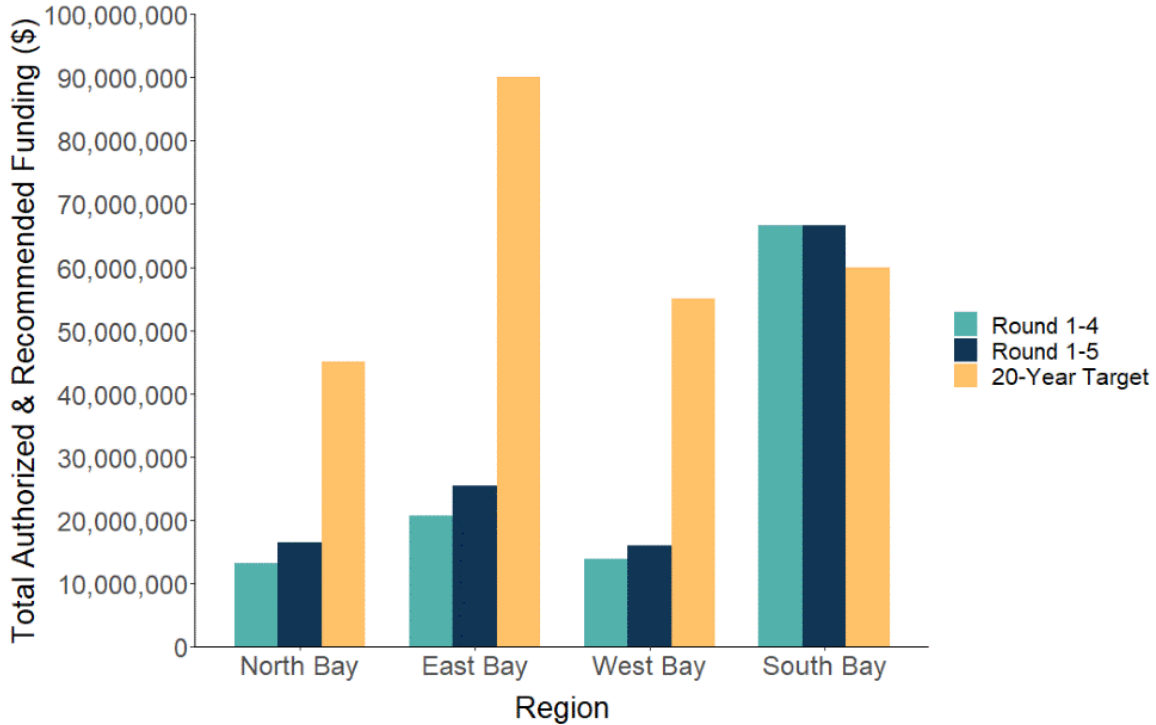
Measure AA requires that revenue be allocated to projects throughout the region, with 50% of funds allocated to the four Bay Area regions in proportion to each region's share of the Bay Area's population, as determined in the 2010 census, and 50% allocated without regard to region. The minimum percentages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

Twenty-year targets for minimum allocations were calculated assuming that Measure AA generates roughly \$500 million over 20 years. The table and chart below show progress toward these targets. Funding for the Bay Restoration Regulatory Integration Team Project is not included in the regional totals because it is a special project focused on permitting. The grant of \$4,000,000 for the San Francisco Estuary Invasive Spartina Removal and Tidal Marsh

Restoration Project is divided among the four regions as follows: North 15%, East 25%, West 25%, South 35%.

Cumulative Authorized and Recommended Funding by Region



	North Bay	East Bay	West Bay	South Bay
Rounds 1 - 5 Projects	\$16,464,304	\$25,460,569	\$15,876,829	\$66,636,079
20-Year Target	\$45,000,000	\$90,000,000	\$55,000,000	\$60,000,000
% of 20-Year Target	37%	28%	29%	Over 100%
At 25% of target? (Year 5 out of 20)	Yes	Yes	Yes	Yes

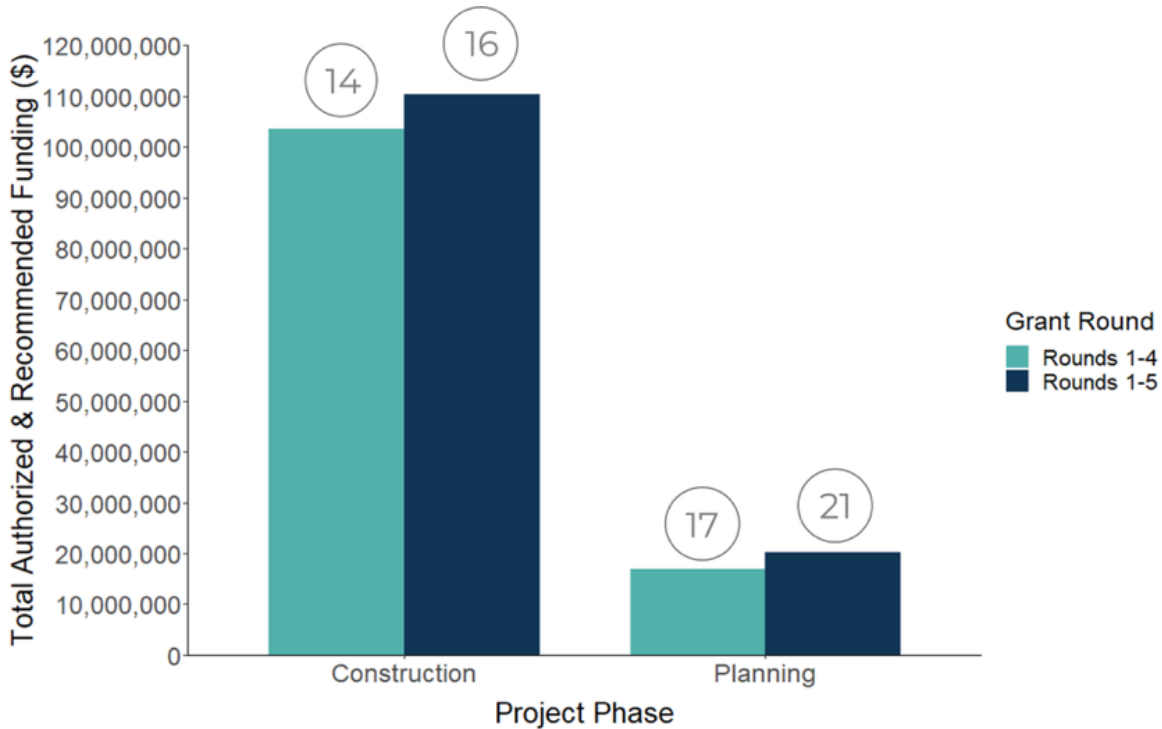
As noted in the table, we would expect each region to be at least 25% of the way toward its target after five out of twenty years of the Measure AA parcel tax period, and the table shows that all regions are on track.

Cumulative Distribution by Project Type

The Governing Board has expressed interest in tracking the number of construction projects as compared to planning projects. Making progress toward the Measure AA Campaign Goals requires prioritizing construction projects. The Governing Board has also directed staff to ensure that an adequate number of planning projects are funded, so that more construction projects can be funded in future years. The breakdown between planning (used here to mean all phases prior to construction, including design and permitting) and construction projects (used here to mean all

forms of on-the-ground implementation) is provided below. The BRRIT is included as a planning project.

**Construction vs. Planning Projects:
Authorized and Recommended Number of Projects and Funding**



Conclusion

As mentioned above, given the large number of high-scoring projects in Round 5 and the fact that the Authority’s available funds are expected to be approximately \$11.5 million in FY22-23, staff recommends that the Authority forgo issuing a Request for Proposals in 2022. Instead, staff would request updated information from applicants that submitted in Round 4 and recommend funding for projects. Staff seeks direction from the board on this matter.