



MEMORANDUM

DATE: April 22, 2022

TO: Governing Board
San Francisco Bay Restoration Authority

FROM: Amy Hutzal, Executive Officer
Jessica Davenport, Deputy Program Manager
San Francisco Bay Restoration Authority

SUBJECT: Proposed Approach for Round 6

Grant Round 5 included an unusually large total funding request of approximately \$56 million for 18 projects. For comparison, the total amount requested in Round 4 was less than half this amount, at approximately \$25 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, as described in the staff memo from the Governing Board's previous meeting (Item 7 from the February 25, 2022 meeting). Thus, after the total funding amount proposed for the Round 5 projects is subtracted, there will be a remaining need of over \$46 million.

Recommendation to Rely on the Round 5 Project List for Round 6 Project Selection

Considering the significant remaining funding need, 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 FY 22-23, staff recommends the following process for Round 6. Instead of issuing a Request for Proposals (RFP) for Round 6, staff, with input from Advisory Committee (AC) reviewers, would rely on the Round 5 list of projects when developing a list of projects to recommend in the coming fiscal year (FY22-23). Staff proposes to ask applicants with unfunded or partially funded applications from Grant Round 5 to submit any relevant project updates in summer of 2022. AC members who served as reviewers for Round 5 would be invited to review updates to projects they previously reviewed and attend a meeting with staff to provide input on which projects to prioritize. Staff would then review the full list of Round 5 projects, considering the scores and qualitative evaluations, information provided in the applicants' updates, and AC members input, to develop a list of recommended projects for Round 6 (FY 22-23) in fall 2022.

This approach would increase efficiency by enabling the staff to develop a list of proposed projects earlier in the fiscal year and begin bringing staff recommendations for individual projects earlier in the year, as well. In addition, it would save time for both applicants and reviewers by reducing the application preparation and review time. There are several federal and state funding programs for restoration of San Francisco Bay that will be holding grant rounds in the next year and applicants can focus their time on seeking funds from these programs.

Staff could then use the time saved to focus on additional outreach efforts to improve equity in the existing roster of projects and projects for the following fiscal year, including greater engagement of residents of economically disadvantaged communities (EDCs). Staff could devote more time to developing and soliciting projects for the Community Grants Program, which

continues to operate on a rolling basis and is open only to community-based organizations in EDCs. Staff would continue to hold networking sessions, this time focusing on connecting Round 5 project applicants with community-based organizations in their areas that may be interested in partnerships.

Questions Raised about the Proposed Approach

The Governing Board raised the following questions about the staff’s proposed approach to Round 6 project selection.

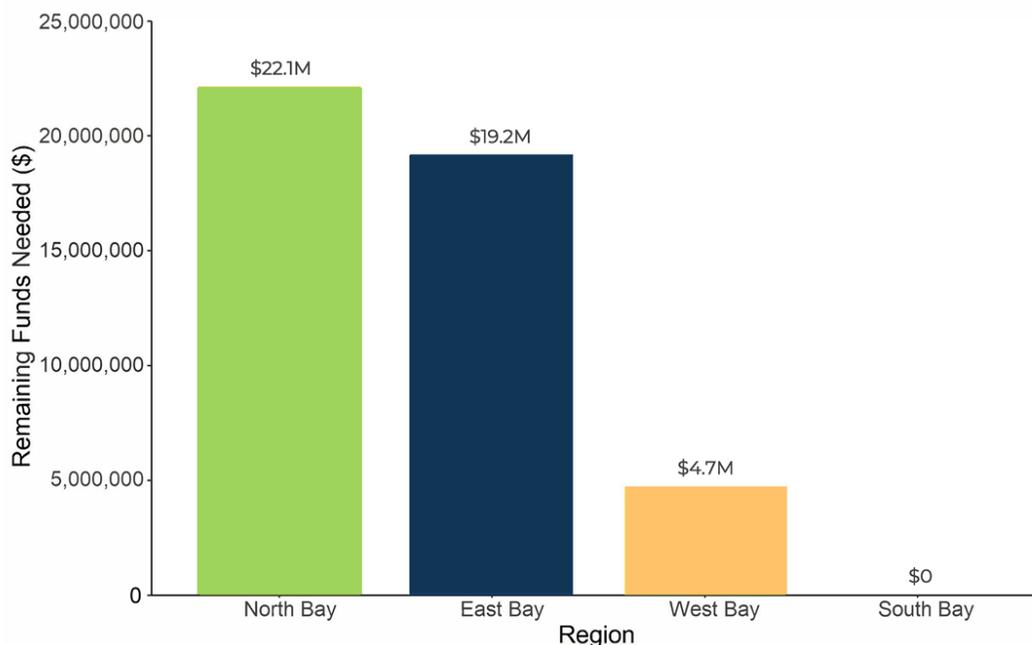
- Will the Authority be able to stay on track to achieve the 20-year targets for distribution of funding by region?
- Will equity concerns be adequately addressed?
- What does the Advisory Committee think of this approach?

We provide answers to these questions below, as well as information about additional funding sources for bay restoration that will be available in the coming year.

Analysis of Opportunities to Achieve Geographic Distribution of Funds in FY22-23

The Governing Board has requested an analysis of opportunities to achieve an appropriate geographic distribution of funds if in Round 6 we were to select from the remainder of the Round 5 projects (those that were either unfunded or only partially funded; see Attachment 1, “Proposed Grant Round 6 Summary Table.”) The chart below shows the requested funding by region if there were no RFP in 2022.

Potential Round 6 Requested Funding Amount (\$) by Region, With No RFP in 2022



Given the funding needs in the North Bay, East Bay and West Bay to remain on track to meet their 20-year funding targets, we believe that an appropriate geographic distribution of funds can be achieved. As a reminder, it is not necessary for the geographic distribution of funds to be achieved in any given year, as long as it is achieved by the end of the 20-year period of the Measure AA parcel tax. Staff agrees with the board that it is important to track progress toward this long-term goal.

Opportunities to Achieve Equity

The Governing Board has also expressed interest in understanding how the Authority could achieve its equity goals if there were no RFP in 2022. To shed light on this issue, staff has determined the number of projects on the proposed Round 6 list that would benefit economically disadvantaged communities (EDCs) and the number of projects located in EDCs. According to the proposals, all sixteen projects would benefit EDCs either by proximity to EDCs or through engagement with residents of EDCs. Staff used the Authority's EDC maps^a to determine that six projects are located in or very close to an EDC. These projects are shown in boldface in Attachment 1.

We also note that the Community Grants Program, for which only community-based organizations located in EDCs are eligible, operates on a rolling basis and staff will continue to solicit and review applications over the next year. When the FY 22-23 budget is proposed in June 2022, staff will be recommending that the total funding for the Community Grants Program be increased from \$400,000 to \$600,000 and that the funding cap per project be increased from \$100,000 to \$200,000. (See the staff memo, *Update on Community Grants Program*, Item 13 in the current board materials, for additional information.)

Input from the Advisory Committee

The AC considered the staff's recommended process for Round 6 at their meeting on March 18, 2022. The AC failed to reach consensus and AC Chair Jessica Martini-Lamb called for a vote on whether to support the staff's recommended process. Six members recused themselves from voting because of a conflict of interest due to having a project that would benefit their agency or organization in Round 5, leading to the loss of a quorum. (A quorum is 14 members; 18 members were present, but after recusals, only 12 members were eligible to vote.) Three members abstained from voting due to a lack of consensus. The votes were 6 ayes, 3 noes, and 3 abstentions.

Ayes: Christopher Gurney, Shin-Roei Lee, David Lewis, Jessica Martini-Lamb, Mike Mielke, Luisa Valiela

Noes: Erika Castillo, Arthur Deicke, Diane Williams

Abstentions: Lee Huo, Nahal Ghoghaie, Marquita Price

Recusals: Steve Chappell, Chris Barr, Ana Alvarez, Letitia Grenier, Rebecca Schwartz Lesberg, Greg Martinelli

Although the AC was unable to take a formal position on the recommendation due to a loss of quorum, AC members provided valuable input. Some AC members expressed concern that not releasing an RFP in 2022 restricts access to funding only to entities that are already known to the Authority and will be closing the door to projects from other organizations that have not come

^a The EDC maps are located under "Additional Resources" on the "Restoration Authority Grants" page of the Authority's website: <https://www.sfbayrestore.org/restoration-authority-grants>.

forward yet. AC members would like to make sure that these organizations will still be engaged through the pre-application consultation process and ensure that there won't be a gap in projects coming forward in the future. Staff explained that the pre-application process will remain open so people can still schedule meetings to discuss their potential projects and get feedback from staff in preparation for applying in 2023. Networking sessions will also continue, in order to engage new organizations and encourage new partnerships. Community Grant Program funding will still be available on a rolling basis.

Several members expressed support for a hybrid approach, where existing applicants would not need to reapply, but applications for new projects could be accepted and would compete with those submitted for Round 5. Staff does not intend to recommend any changes to the application, so the so-called hybrid approach would essentially be the same as releasing an RFP, in terms of level of effort and timing (except for existing applicants).

One AC member commented that public perception about the urgency around restoration work should be considered, and that it shouldn't appear that the Authority has changed its pace or practice by "taking a pause." Another AC member commented that this proposed change is essentially not a "pause" on funding, but rather will result in getting funding out to projects more efficiently. With the significant increase in state and federal funding coming available this year, there is an opportunity to build on community outreach that is already underway to point smaller groups and community-based organizations to these other sources of funds, which might ultimately result in getting their projects funded sooner.

Other Grant Opportunities for Projects Not Included in the Round 5 List

As noted by the AC, the proposed approach would not allow for a project that did not apply in Round 5 to be considered for Round 6, potentially excluding worthy projects that were not yet ready to apply by October 2021. However, staff is aware of several federal and state funders, including the State Coastal Conservancy, the U.S. Environmental Protection Agency (EPA), and the National Oceanic and Atmospheric Administration (NOAA), that will have higher than average amounts of funding available for San Francisco Bay restoration in the coming year.

- The Conservancy is expected to receive \$500 million for coastal resilience projects statewide in FY 22-23 and FY 23-24.
- The US Environmental Protection Agency, in the federal infrastructure bill and the federal FY 21-22 budget, has been allocated \$49 million to support water quality and restoration activities in the San Francisco Bay Area. Two Requests for Applications (RFAs) will be released by EPA in spring 2022 to solicit projects. One will be for approximately \$5 million using Infrastructure Investment and Jobs Act (IIJA) funding and will likely not require a match. These funds are intended to support Biden Administration goals of climate resilience and supporting underserved and overburdened communities. This \$5 million IIJA RFA will be repeated in four subsequent years. The second RFA will be for \$24 million and will be similar to previous years of San Francisco Bay Water Quality Improvement Fund grant opportunities that focus on implementation projects that restore habitat and improve water quality.
- The Infrastructure Investment and Jobs Act included funding for NOAA's coastal programs, and it is anticipated that there will be grant opportunities for coastal restoration through NOAA in 2022.

Staff would post information about these and other funding opportunities on the Authority's website and provide that information in response to inquiries from potential applicants.

Applying for grants, particularly from public agencies, takes a considerable amount of work. This recommended approach for Round 6 will reduce the amount of time and effort by potential grant applicants. Project proponents can focus their attention on grant programs in 2022 that have larger amounts of available funding and greater chances of success. Project proponents can apply for Authority funds again in 2023, when the available funding will be greater. And as a reminder, the Authority's Community Grants Program will be ongoing.

Conclusion

Staff recommends that the Authority adopt Resolution 97 describing the process for Grant Round 6. The Authority would forgo issuing an RFP in 2022. Instead, staff would request updated information from applicants that submitted applications in Round 5 and recommend funding for projects based on a combination of previous evaluations, consideration of the updated information, and input from AC reviewers. This approach would increase efficiency by enabling the staff to develop a list of proposed projects earlier in the fiscal year and begin bringing staff recommendations for individual projects earlier in the year, as well. In addition, it would save time for both applicants and reviewers by reducing the application preparation and review time. Staff could then use the time saved to focus on additional outreach efforts to improve equity, including greater engagement of residents of EDCs and greater focus on the Community Grants Program. If the Governing Board does not pass Resolution 97, staff will bring a resolution authorizing release of an RFP for Round 6 to the Governing Board meeting on June 24, 2022.