



MEMORANDUM

DATE: October 14, 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 6

This memo provides staff’s anticipated recommendations on projects to be considered for funding in Grant Round 6, a summary of the project selection process, and the reviewers’ rationales for selection of specific projects in this grant round.

Grant Round 6 Overview

The San Francisco Bay Restoration Authority (Authority) passed Resolution 97 in April 2022, which directed the Executive Officer to implement the following process for Grant Round 6:

1. “Staff will ask applicants with unfunded or partially funded applications from Grant Round 5 to submit any relevant project updates in summer of 2022.
2. AC members who served as reviewers for Round 5 will be invited to review updates to projects they previously reviewed and attend a meeting with staff to provide input on which projects to prioritize.
3. Staff will 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.”

Staff notified applicants that they needed to provide updates, or if they had no updates, to notify staff they still wished to be considered for funding, by July 29, 2022.

Several applicants were notified that their projects would likely be recommended for funding from the State Coastal Conservancy (Conservancy) and therefore those projects were removed from the review process. These projects included the following:

- Eden Landing Plover Habitat Enhancement and Transition Zone Restoration
- Lower College of Marin Corte Madera Creek Habitat Restoration Project
- Napa River Estuary Enhancement and Public Access Project
- Petaluma River Park
- Regionally Advancing Living Shorelines in SF Bay
- Tiscornia Marsh Restoration and Sea Level Rise Adaptation Project

The Authority funded planning for the Tiscornia Marsh project in Grant Round 2 and partially funded final design and permitting and construction in Grant Round 5. The grantee, Marin Audubon Society, has requested an augmentation of its current award (by approximately

\$386,000) to move forward with the first phase of construction in 2023. Staff intends to recommend authorization of this additional amount at the December board meeting. In 2023, Conservancy staff anticipate recommending that its board authorize approximately \$4 million for Tiscornia's second phase of construction, expected to take place in 2024.

By July 29, 2022, the Authority received eight updated applications requesting a total of approximately \$33 million. Although the Authority has close to \$23 million available annually, only about \$9.8 million of the total \$23 million is available for Round 6 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. In addition, given the staff's commitment to develop the project list earlier in the fiscal year, we are recommending leaving part of the contingency (which totals approximately \$4.3 million) available for unexpected project expenses, as well as anticipated augmentations of grants from previous years, such as the Tiscornia augmentation described above.

Staff and members of the Advisory Committee reviewed and scored the Grant Round 6 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 6, listed in descending order of dollar amount:

- Strategy to Advance Flood Protection, Ecosystems and Recreation along San Francisco Bay - SAFER Bay Project
- Incremental Cost of Beneficial Reuse of Dredge Sediments at the Montezuma Wetlands Restoration Project
- Suisun Marsh Fish Screen Rehabilitation Project: Phase 2
- Newark Baylands Acquisition, Interim Management and Restoration Planning (partial funding)
- Goat Island Tidal Marsh Restoration and Public Access Project
- Berkeley North Basin Project

These include one acquisition project, three planning projects, and two implementation 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.

Round 6 Project Selection Process

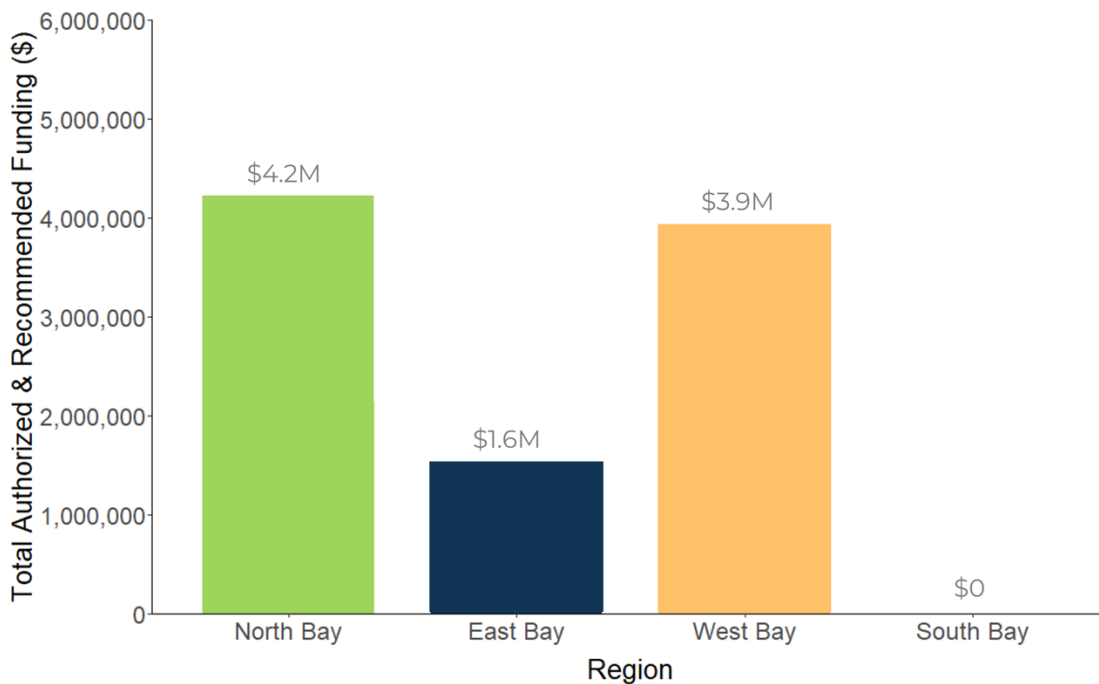
In the evaluation process, staff and Advisory Committee (AC) members reviewed proposals and associated updates based on the Request for Proposal's eligibility criteria, prioritization criteria, and the project's likelihood of success. Applicants were asked not to request additional funds as part of the update. 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 is aware of the need to ensure adequate funding for the East Bay and West Bay regions. In the East Bay, staff anticipates recommending full funding for the Berkeley North Basin Project and partial funding for the Newark Baylands acquisition, with additional funding anticipated to be recommended for Newark Baylands in Fiscal Year 2023/2024. One West Bay planning project, SAFER Bay, is also anticipated to be recommended. In this grant round, staff also anticipates recommending three projects in the North Bay.

Round 6 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, Solano Land Trust's application for the Goat Island Tidal Marsh Restoration and Public Access Project in Round 5 was not successful and staff provided feedback on weaknesses that needed to be addressed. Solano Land Trust then submitted an improved application in Grant Round 6, and the project is included in this year's list of recommended projects.

Rationale for Round 6 Project Selection and Funding Amounts

The applications received in Round 6 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

- **Goat Island Tidal Marsh Restoration and Public Access Project (91).** Solano Land Trust proposes to complete the planning, permitting and design for the restoration of approximately 80 acres of tidal marsh, which will connect to 1,000 acres of tidal marsh in the Rush Ranch Open Space Preserve, as well as to adjacent uplands that will allow for marsh migration. The project also includes designing improved and new public access features to support educational programs, which will provide access for youth and people with disabilities. The applicant will rely on its ongoing relationship with the San Francisco Bay National Estuarine Research Reserve to provide a strong scientific basis for development of the Monitoring and Adaptive Management Plan, and on its relationship with the Yocha Dehe Wintun Nation to engage the Tribe in planning and project design.
- **Incremental Cost of Beneficial Reuse of Dredge Sediments at the Montezuma Wetlands Restoration Project (79).** Montezuma Wetlands LLC requests a \$7 per cubic yard cost-share to divert 300,000 cubic yards of dredged sediment otherwise destined for aquatic disposal at the Deep Ocean Disposal Site in the Pacific Ocean to beneficial reuse at Montezuma Wetlands. Montezuma would commit to covering any additional funding needed to accomplish this diversion from ocean disposal. The project, which began operation in 2003, provides an excellent example of using dredged material for habitat restoration that will benefit several threatened and endangered species. The Authority previously funded the completion of Phase 1, which restored 630 acres of baylands habitat in 2020. The project is overseen by a Technical Review Team, which reviews site monitoring plans and data and works with the project staff to adaptively manage the project.
- **Suisun Marsh Fish Screen Rehabilitation Project: Phase 2 (78).** The Suisun Resource Conservation District will use the results from the Authority-funded Phase 1 fish screen assessment to repair equipment at the two highest priority Essential Fish Screen sites along Montezuma Slough, the major tidal slough in Suisun Marsh of Solano County. The screens prevent entrainment of listed fish species. This scaled-back project will enable continued operation of two fish screens at imminent risk of failure, thus enabling the continued existence of 382 acres of managed wetlands, which provide important habitat for waterfowl and other species. The project is consistent with the Suisun Marsh Habitat Management, Preservation, and Restoration Plan (2014), which calls for maintenance of 50,000 acres of managed wetlands, as well as tidal restoration of 7,000 acres.

East Bay

- **Newark Baylands – Acquisition, Interim Management and Restoration Planning (87).** The Trust for Public Land proposes to acquire 430 acres of Newark Baylands, including approximately 250 acres of baylands, on Mowry Slough and the western boundary of the City of Newark. If not protected, the upland portion of the property will be developed into luxury homes, eliminating a natural transition zone that would enable tidal marsh migration inland as sea levels rise. The site is located within the San Francisco Bay Wildlife Refuge Complex’s congressionally approved boundary and Refuge staff have expressed interest in accepting the property. If acquired and transferred to the Refuge, the site would be restored to benefit a variety of listed species and other wildlife. It would provide nature-based flood protection to the cities of Newark and Fremont, as well as create opportunities for students from schools in the neighboring economically disadvantaged communities, as defined in the Authority’s Request for Proposals and mapped on the Authority’s website, to access the site for recreational and education purposes. During the past year, the applicant obtained a willing seller letter from one owner holding a 50 percent share of the property and hopes to receive a letter from the other 50-percent-share owner in 2023. Staff does not expect to be able to bring a staff recommendation to the Governing Board until Fiscal Year 2023/2024 but recommends setting aside \$1 million from this fiscal year’s budget to carry over to the following fiscal year. The applicant will request additional funds in the next grant cycle.
- **Berkeley North Basin Project (76).** The Berkeley North Basin planning project will set the stage for removing riprap and other debris along the shoreline, creating a diverse mix of habitats, constructing one mile of Bay Trail at the North Basin Strip and Berkeley Meadow, and using living shoreline approaches to adapt to sea level rise. The project consists of community engagement, planning studies, preliminary design, and CEQA compliance. Proposed studies include evaluation of the feasibility of daylighting Schoolhouse Creek, based on soil and sediment studies, and identification of appropriate strategies for habitat restoration of the North Basin Strip. The applicant, East Bay Regional Park District, has a strong track record in designing and implementing habitat and public access projects, making the likelihood of success high.

West Bay

- **Strategy to Advance Flood Protection, Ecosystems and Recreation along San Francisco Bay-SAFER Bay Project (90).** The San Francisco Bay Joint Powers Authority is planning for nature-based flood protection through marsh restoration and ecotone levees, including at least 570 acres of bayland habitat restoration or enhancement, along seven miles of shoreline. 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. Plans also include upgrading shoreline trails. Staff anticipate recommending partial funding to continue to support initial design, environmental documentation, associated technical studies, and a community outreach and education program. The applicant is contracting with community-based organizations, including Climate Resilient Communities and Nuestra Casa, to lead the outreach and community engagement aspects of this project, with technical consultation from the applicant and input from the Cities of East Palo Alto and

Menlo Park. The proposed amount of approximately \$4 million will supplement the \$1 million authorized by the Authority in June 2022.

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.

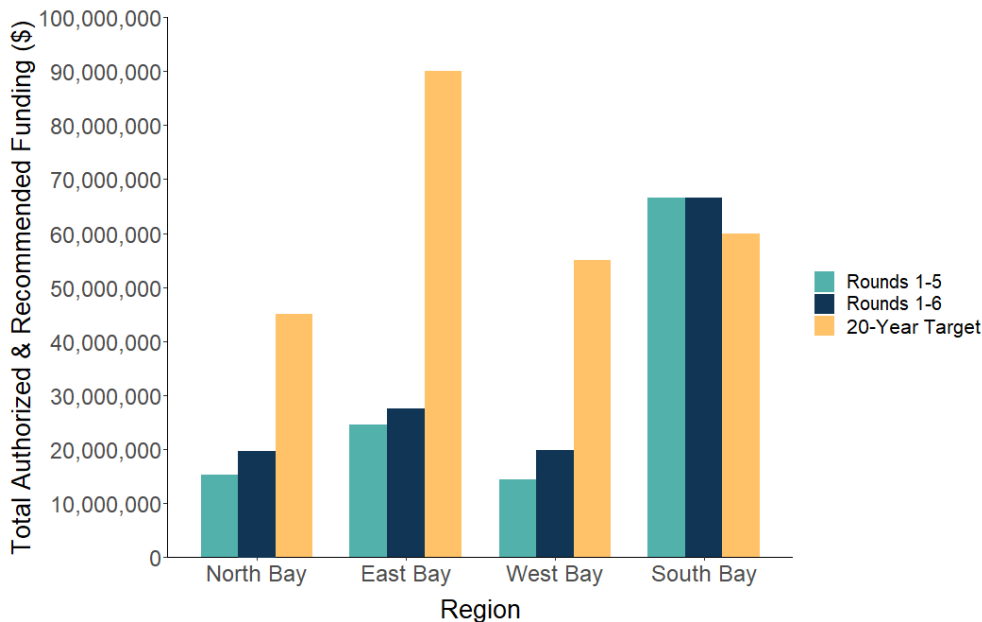
Cumulative Distribution by Region

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. Per this requirement, the minimum percentages that must 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, based on the estimated level of effort in each region: 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 - 6 Projects	\$20,667,328	\$27,060,569	\$19,856,829	\$66,636,079
20-Year Target	\$45,000,000	\$90,000,000	\$55,000,000	\$60,000,000
% of 20-Year Target	45.9%	30.1%	36.1%	Over 100%
At 30% of target? (Year 6 out of 20)	Yes	Yes	Yes	Yes

As noted in the table, we would expect each region to be at least 30% of the way toward its target after six 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**

