



SAN FRANCISCO BAY
RESTORATION AUTHORITY

DATE: March 22, 2024

TO: Independent Citizens Oversight Committee
San Francisco Bay Restoration Authority

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

SUBJECT: **Draft Staff Response to the Independent Citizens Oversight Committee Letter covering Fiscal Year 2021/2022**

Background

As requested in the Independent Citizens Oversight Committee (Oversight Committee) annual letter covering Fiscal Year 2021/22 to the Governing Board (Board) on June 30, 2023, the staff prepared this response that was approved at the March 22, 2024 Board Meeting.

Summary of Oversight Committee Findings

“FINDING # 1: It is from this perspective that the Oversight Committee is pleased to report that the Authority is well-managed, and that it continues to utilize taxpayer funds effectively for the purposes defined by Measure AA.”

“FINDING # 2: The Oversight Committee finds that the tax revenues collected pursuant to Measure AA are managed and expended appropriately, and we appreciate the receipt of yet another clean and unmodified audit.”

“FINDING #3: The Oversight Committee reviewed the projects that were awarded funding in FY 2021 - 2022 and found that each was consistent with the programs and criteria included in Measure AA. We also applaud the Authority’s many forward-looking projects that incorporate plans for responding to sea level rise.”

With respect to the requirement of Measure AA that projects leverage Federal and State funds and public/private partnerships, we find that the Authority is successfully identifying funding sources and actively facilitating such leveraging. In this context it is important to acknowledge that the Bay Area’s rich community of restoration and environmental experts enhances the Authority’s capacity to spend Measure AA funds efficiently. In addition, the Authority stretches its administrative dollars by utilizing experienced staff from sister agencies.”

“FINDING # 4: The Oversight Committee finds that the management structure for project oversight is sound, and that the Authority is taking creative steps to maximize the efficient use of Measure AA funds by minimizing the time required for project planning and permitting. We strongly support all of these efforts, as exemplified by the BRRIT and projects such as ‘Regionally Advancing Living Shorelines in San Francisco Bay’ and ‘Science Elements of the Wetlands Regional Monitoring Program in San Francisco Bay’.”

“FINDING # 5: At the five-year point, the Authority has made adequate progress towards most of the Measure AA Campaign Goals, and it has focused plans for adding to the two habitats currently lagging.”

Authority Staff’s Draft Response to the Findings

Authority staff agree with all five findings made by the Oversight Committee.

Summary of Oversight Committee Recommendations and Authority Staff’s Draft Responses

“RECOMMENDATION # 1: While the financial statements, audit, and accompanying explanatory material are available to the public in a generally transparent form, the Oversight Committee recommends that the Authority provide a summary statement of the audit results in layperson terms either on the website or in the Annual Report.”

Response to Recommendation #1:

Status – Implemented: A summary statement of the audit results has been included in a memo titled “Report on San Francisco Bay Restoration Authority Financial Statements for the year ended June 30, 2023,” which is posted on the Authority’s website as part of the materials for the December 15, 2023 Board meeting.

“RECOMMENDATION # 2: We recommend that the Governing Board direct the Executive Officer to provide a 10-year projection of administrative costs to determine whether there is a structural problem with the 5%-plus-interest funding limit. If a potential shortfall is projected, we recommend that the Executive Officer analyze the options for responding to the issue and include that analysis with the report on administrative costs.”

Response to Recommendation #2:

Status – In Progress: The 10-year projection of administrative costs is in the process of being analyzed and will be presented to the Board in 2024.

“RECOMMENDATION #3: The Oversight Committee considers it crucial for the Authority to accelerate the shift from opportunistic funding of individual projects to a more focused effort to fund a group of projects that fills functional gaps in the ecological system. We recommend that the Authority more aggressively implement that shift this year, and in this letter we have provided specific examples of short-term, achievable steps that can be undertaken to that end. We also recommend that the Authority take steps to communicate this strategy more effectively.”

The Oversight Committee letter included the following description of “short-term, achievable steps” referenced in Recommendation #3:

“Although this is a long-term effort, useful short-term steps can be implemented. We offer the following suggestions: First, the Authority can more explicitly incorporate the landscape-scale ecological characteristics into the scoring criteria currently used to assess new project proposals (under the umbrella of “greatest positive impact”). To the extent that these characteristics are already being considered, we recommend that the process be more clearly defined and communicated. Second, the Authority should more aggressively mine new reports or tools that incorporate landscape-scale analyses in order to identify priority gaps, and then explicitly seek projects that fill those gaps. The updated (2022) Implementation Strategy of the San Francisco Bay Joint Venture (SFBJV) is a case in point. Working with other members of the SFBJV, the Authority could use the underlying analyses to target specific areas where projects would enhance the functionality of the ecological system (for example, by providing connectivity between habitats or filling gaps in a habitat mosaic).”

Response to Recommendation #3:

Status – Partially Implemented: Some of the actions described in the Oversight Committee letter as “short-term steps” have been implemented, but Authority staff do not fully concur with the Oversight Committee’s premise that funding to date has been “opportunistic,” as the many restoration projects being developed and funded in San Francisco Bay are based on several decades of regional planning efforts (further described below), or with the recommendation to shift from funding of individual projects to “a more focused effort to fund a group of projects that fills functional gaps in the ecological system.”

Areas of Concurrence:

Authority staff support more explicitly incorporating the landscape-scale ecological characteristics identified by the Oversight Committee into the scoring criteria used to assess grant applications. This has been done by listing the characteristics in the Request for Proposals, the application form, and the application review sheet.

Authority staff concur that restoration efforts should be based on landscape-scale analyses. Fortunately, the restoration of San Francisco Bay, and hence the development of projects funded by the Authority, is based on several decades of regional planning efforts involving hundreds of scientists and resource managers. There are multiple regional plans and ongoing collaboration through several forums. The work and priorities of restoration project proponents are guided by the 1999 “San Francisco Baylands Habitat Goals Report” (updated in 2014), the “San Francisco Bay Subtidal Habitat Goals Report” (2010), the US Fish and Wildlife Service’s “Recovery Plan for Tidal Marsh Ecosystems of Northern and Central California” (2013), the Implementation Strategy of the San Francisco Bay Joint Venture (2022), and several other regional planning efforts and reports. Key forums for regular collaboration and coordination among land and resource managers, scientists, advocates, regulators, funders, and other decision makers include the San Francisco Bay Joint Venture and San Francisco Estuary Partnership, as well as the Authority’s Advisory Committee. Every two years, the State of the Estuary conference brings together hundreds of people to share project results, lessons learned, and plans for future restoration.

The Authority funds new reports and tools that incorporate landscape-scale analysis and supports their use in prioritizing projects. For example, staff support the use of regional strategies, such as the Sonoma Creek Baylands Strategy (2020), the Petaluma River Baylands Strategy (2023), and the forthcoming Novato Creek Baylands Strategy, to evaluate projects. For example, the Camp 4 Ranch Acquisition Project is helping to implement the Sonoma Creek Baylands Strategy. In alignment with the recommendations in the Sediment for Survival Report (San Francisco Estuary Institute, 2021), the Authority is funding projects that reconnect creeks to baylands, such as the Calabazas/San Tomas Aquino Creek-Marsh Connection Project. Authority staff have been actively collaborating with the Wetlands Regional Monitoring Program (WRMP), which is partially funded by the Authority, to develop new ways to track changes in landscape-level characteristics and create performance measures for projects. (See Recommendation #5 below.)

Area of Disagreement:

Authority staff do not agree with the recommendation to target specific projects based on landscape-scale characteristics instead of doing an open call for projects for several reasons. First, the Authority is a project funder, not a project developer. In order to make the best use of Measure AA funds, the Authority needs to fund projects that have a willing landowner, a motivated project proponent, and a feasible approach to project implementation. Selecting projects by targeting their landscape-scale characteristics alone could result in the Authority funding projects that are not ready-to-go or that do not have the highest likelihood of success. Second, under Measure AA, there are other prioritization criteria that need to be considered when evaluating projects, such as geographic distribution, providing benefits to economically disadvantaged communities, engaging youth, and leveraging state and federal resources. That said, staff are working with restoration proponents in the region to identify locations and projects that will have the largest landscape-scale ecological benefits, with the intention to include such projects in the Authority's overall project portfolio. Finally, the Authority is doing its work in a region that has a long history of regional planning and organized groups of restoration proponents, land managers, regulators, advocates, scientists, community groups, and funders. The projects that the Authority funds are being developed within the context of regional plans and regional collaborations.

“RECOMMENDATION # 4: We recommend that the Authority continue to support and fund the work of the BRRIT at or above current levels after 2024, and that it also support funds for additional consultants as needed to address complicated science questions raised by certain regulatory issues. We also recommend that the Authority advocate for and support BRRIT's continued efforts to identify a baseline against which its improvements can be assessed, including with quantitative measures.”

Response to Recommendation #4:

Status – In Progress: The BRRIT is currently being funded by the Authority. It is expected that the BRRIT will come to the Authority with a request for continued funding within the next year. The Authority supports the BRRIT's efforts to quantitatively assess their improvements to the permitting process over time.

“RECOMMENDATION #5: The Oversight Committee recommends that the Authority track a more robust set of indicators and provide that information to the public. In particular, we recommend:

- a) Presenting the updated scientific assessments of restoration needs alongside the Measure AA Campaign Goals;
- b) Adding more measures of cumulative progress to the Performance Measures (and we have listed several potential additions as examples); and
- c) For those cumulative indicators that cannot be quantified in the near future, provide updates as a qualitative or pictorial discussion.

The impetus for these recommendations is to provide the public with a better picture of the accomplishments of Measure AA, as well as the magnitude of the future needs for restoration and nature-based adaptations to climate change.”

Response to Recommendation #5:

Status – In Progress: Recommendation “a” was partially addressed in the annual report by listing the key reports that guide the Authority’s landscape-scale restoration work, including the Baylands Ecosystem Habitat Goals, 2015 Science Update, and The San Francisco Bay Joint Venture 2022 Implementation Strategy. These two reports include assessment of restoration needs at the regional scale.

Recommendation “b” is also in progress and is being addressed by the WRMP, which is being funded by the Authority to develop new measures of cumulative progress for Authority-funded projects. The performance measures will be addressing most, but possibly not all, of the examples provided in the Oversight Committee’s letter. The initial development of additional performance measures by the WRMP is expected to be complete in June of 2025, and the Authority will include those measures in future annual reports.

Recommendation “c” has been addressed in the annual report in the section on Restoration at the Landscape Scale, which presents example projects, displayed as text with photos on a map, that increase connectivity between habitat patches and have features that will provide resiliency to sea level rise, e.g., by reconnecting creeks to marshes to enable the natural flow of sediment. Staff will consider ways to further address this recommendation in future annual reports.

Summary

Authority staff agree with all of the findings and have started the implementation of the majority of the recommendations in the Oversight Committee letter. Recommendations #3 and #5 are longer term recommendations, and will possibly be only partially implemented, due to the complexity of and the tradeoffs associated with the recommendations.