



SAN FRANCISCO BAY
RESTORATION AUTHORITY

MEMORANDUM

DATE: March 22, 2024

TO: Governing Board
San Francisco Bay Restoration Authority

FROM: Amy Hutzler, Executive Officer
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San Francisco Bay Restoration Authority

SUBJECT: Staff's Anticipated Recommendations on Projects to be Considered for Funding in Grant Round 7

This memo provides staff's anticipated recommendations on projects to be considered for funding in Grant Round 7, a summary of the project selection process, and the reviewers' rationales for selection of specific projects in this grant round.

Grant Round 7 Overview

In response to its seventh grant solicitation, which closed on October 10, 2023, the San Francisco Bay Restoration Authority (Authority) received 17 applications, but two were deemed ineligible and one was withdrawn. The remaining 14 applications requested a total of about \$71.6 million.

Although the Authority has close to \$24 million available annually for regular grant round projects, community grants, and contingency, about \$15.5 million is available for Grant Round 7 projects. During Fiscal Year 2023/2024 (FY23/24), the Authority had the opportunity to support completion of two important East Bay projects through grant augmentations: \$2.3 million for the Terminal Four Wharf Removal Project and \$3 million for the Lower Walnut Creek Restoration Project. In addition, in December 2021, the Authority authorized funding for the second half of the three-year project of the Science Elements of the Wetlands Regional Monitoring Program at approximately \$1.5 million in the current fiscal year. Finally, we are recommending leaving part of the contingency available for unexpected project expenses, as well as anticipated augmentations of grants from previous years.

Staff and members of the Advisory Committee reviewed and scored the Grant Round 7 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 7 listed in descending order of dollar amount:

- Camp 3 Ranch Acquisition Project
- Deer Island Basin Complex Tidal Restoration Project, Phase 1 Construction

- Restoring Wetland-Upland Transition Zone Habitat in the North Bay with STRAW (partial funding)
- North Richmond Living Levee & Collaborative Shoreline Plan
- Evolving Shorelines at Bothin Marsh (partial funding)
- South Bay Salt Pond Restoration Project Phase II—Eden Landing (partial funding)
- Hayward Marsh Restoration Project

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

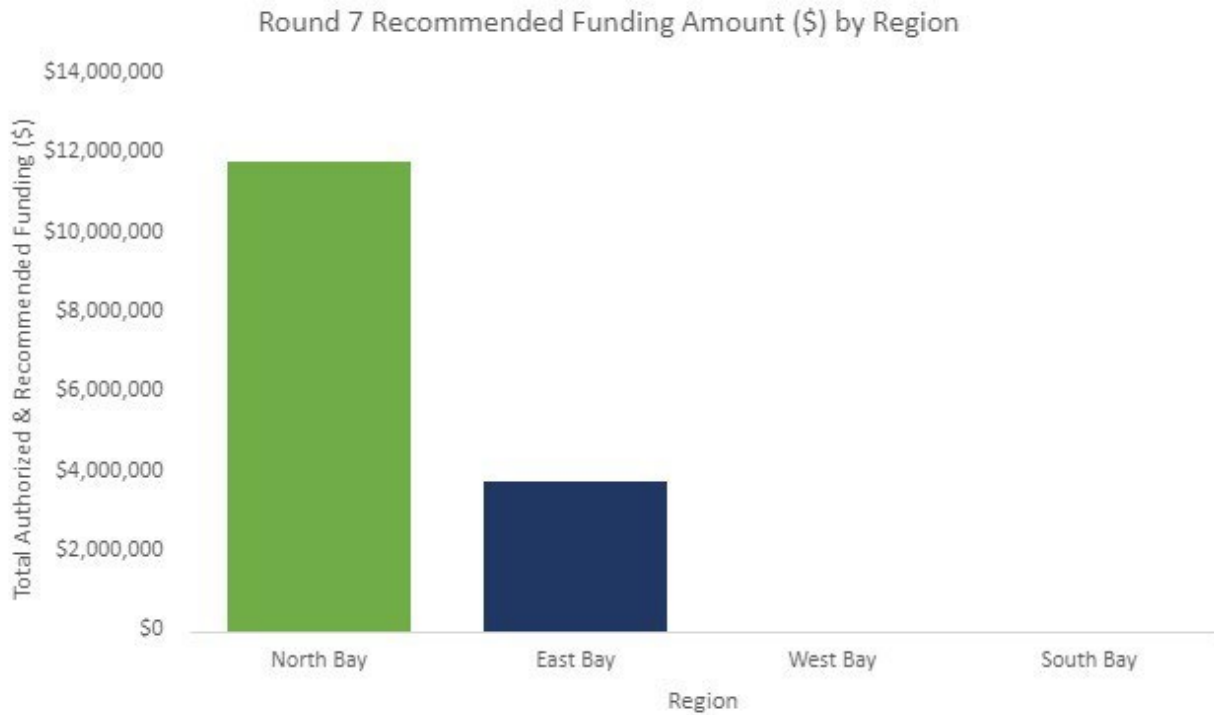
One project, the Newark Baylands Acquisition, Interim Management and Restoration Planning Project, was ranked highly but is not included in the project list for FY23/24 funds. The applicant, the Trust for Public Land (TPL), has obtained willing seller letters from both owners and is currently negotiating a purchase agreement. TPL needs \$65 million for the acquisition and has only secured approximately \$4.7 million, with \$30 million in pending requests. They will seek funding from multiple sources over the next 18 months to meet a closing date of September 2025. Therefore, we intend to bring a staff recommendation for this project in Fall 2024 (FY24/25), allowing the projects listed above with more urgent funding needs to make use of FY23/24 funds. (See additional discussion of this project below under the section “East Bay, Fiscal Year 2024/2025 and Beyond.”)

Round 7 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. 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.

Regarding geographic distribution of funds, staff are 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 North Richmond Living Levee Project and the Hayward Marsh Restoration Project, and partial funding for Eden Landing, with additional funding anticipated to be recommended for Eden Landing in future fiscal years. As noted above, staff intends to recommend funding the Newark Baylands acquisition, another East Bay project, in FY24/25. No West Bay projects were recommended for this round. In this grant round, staff also anticipates recommending four projects in the North Bay.



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.

Rationale for Round 7 Project Selection and Funding Amounts

The applications received in Round 7 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. Three of the projects listed below, if funded, would contribute to landscape-scale ecological restoration in the 10,000-acre Sonoma Creek Baylands, the 1,000-acre Novato Creek Baylands, and the 15,100- acre South Bay Salt Pond Restoration Project area.

North Bay

- **Camp 3 Ranch Acquisition Project (91).** Sonoma Land Trust proposes to acquire Camp 3 Ranch to enable tidal restoration as described in the Authority-funded Sonoma Creek Baylands Strategy (2020). If acquired, this 1,480-acre property will be included in the Sonoma Creek Baylands Restoration Planning Project, led by Ducks Unlimited and funded by the Wildlife Conservation Board and State Coastal Conservancy, which will plan for 5,700-7,470 acres of tidal restoration.
- **Deer Island Basin Complex Tidal Restoration Project, Phase 1 Construction (90).** Marin County Flood Control District proposes restore about 71 acres of tidal baylands; enhance flood protection measures along existing levees, including building ecotone slopes along the levees and raising the elevation of one of the levees; and conduct three years of post-construction monitoring and adaptive management in Novato. This project is part of a larger Novato Creek Baylands Strategy planning effort, which will aim to

restore over 1,000 acres of historic tidal marsh in the Novato Creek Baylands while reducing flood risk for the City of Novato, State Route 37, and other communities and infrastructure. A grant of about \$2.4 million from the Authority would provide the required match for a grant of about \$7.1 million from the National Fish and Wildlife Foundation, as well as leveraging about \$1 million from the Marin County general fund.

- **Restoring Wetland-Upland Transition Zone Habitat in the North Bay with STRAW (87).** Point Blue Conservation Science proposes to restore degraded wetland-upland transition zone habitat along shoreline to better withstand extremes in heat, drought, flooding, and changes in wildlife lifecycle timing. The restorations will be completed by students, teachers, and their families through Point Blue’s Students and Teachers Restoring A Watershed program (STRAW) and Community College Conservation Internship programs. Staff will recommend partial funding of this project to support work in the City of American Canyon.
- **Evolving Shorelines at Bothin Marsh (90).** Golden Gate National Parks Conservancy proposes to advance this project, previously funded by the Authority for the development of preliminary designs, to the 65% design and environmental documentation stage. The purpose of the project is to protect, restore, and enhance the tidal wetlands of Bothin Marsh Open Space Preserve and to adapt the tidal marsh complex to sea level rise and to elevate and realign an approximately 1,800-foot segment of the San Francisco Bay Trail, out of a flood prone location.

East Bay, Fiscal Year 2023/2024

- **North Richmond Living Levee & Collaborative Shoreline Plan (98).** West County Wastewater District proposes to build on work from a previous Authority grant to continue the community design process with residents and tribal partners to develop 65% design drawings, and draft CEQA documents for a 0.65-mile living levee, trails and wetland restoration at Wildcat Marsh. Additional phases to be completed with this grant will advance sea level rise adaptation in two other vulnerable areas of the shoreline to 30% design and develop implementation strategies for public-private partnerships in those areas.
South Bay Salt Pond Restoration Project Phase II—Eden Landing (85). This project will build on a previous Authority planning grant to restore 1,300 acres to tidal marsh, enhance 800 acres of aquatic habitats, revegetate wetland to upland transition zones, provide pre-, during, and post-construction monitoring, and construct up to four new miles of Bay Trail. Partial funding in FY23/24 will enable the San Francisco Bay Bird Observatory to proceed with pond-upland transition zone enhancement work while the project team revises the design and obtains permits to address a recent change to the project.
- **Hayward Marsh Restoration Project (87).** East Bay Regional Park District proposes to build on work from a previous Authority grant to complete permitting and final designs to restore and enhance the wetlands of Hayward Marsh to benefit a range of species, maintain and protect nesting habitat for a variety of shorebird species, increase long-term shoreline resilience, and foster opportunities for future public access to the project.

East Bay, Fiscal Year 2024/2025 and Beyond

- **Newark Baylands – Acquisition, Interim Management and Restoration Planning (92).** TPL proposes to acquire 430 acres of Area 4 on Mowry Slough in the City of Newark, including approximately 250 acres of baylands. 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 TPL is successful in negotiating a purchase agreement, staff expects to bring a funding recommendation for up to the requested amount of \$25 million to the Governing Board in FY24/25, including the \$1 million previously set aside from the FY22/23 budget. Because the requested amount exceeds the amount available for grants in a single fiscal year, staff will recommend that funding be encumbered over two fiscal years (FY24/25 and FY25/26).

- **South Bay Salt Pond Restoration Project Phase II—Eden Landing (85).** While staff is recommending only partial funding \$1.3 million out of a requested \$22.7 million in FY23/24, as described above, we expect to recommend significant funding for this project in future fiscal years, due to its importance in achieving landscape-scale restoration in the East Bay. Fortunately, the project team has raised significant funding for this project from other sources, which will enable construction to move forward over the next two years without full Authority funding.

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%.

Authorized and Recommended Funding (Rounds 1-7) compared to 20-year Measure AA Target

Progress is shown compared to % expected at 7-year mark (35%)



	North Bay	East Bay	West Bay	South Bay
Rounds 1-7 Projects	\$32,919,867	\$34,710,710	\$20,904,611	\$66,636,079
20-Year Target	\$45,000,000	\$90,000,000	\$55,000,000	\$60,000,000
% of 20-Year Target	73.2%	38.6%	38%	Over 100%
At 35% of target? (Year 7 out of 20)	Yes	Yes	Yes	Yes

As noted in the table, we would expect each region to be at least 35% of the way toward its target after seven out of twenty years of the Measure AA parcel tax period, and the table shows that all regions are on track.

Cumulative Distribution by Phase

The Governing Board has expressed interest in tracking the number of construction grants as compared to pre-construction only grants. (A small number of grants support post-construction only, i.e., monitoring and adaptive management.) Making progress toward the Measure AA Campaign Goals requires prioritizing construction grants. The Governing Board has also directed staff to ensure that pre-construction phases are also funded, so that more construction grants can be made in future years. The breakdown between pre-construction only grants (including

acquisition, planning, design, environmental documentation, and permitting) and construction projects (used here to mean all forms of on-the-ground implementation), as well as post-construction only grants, is provided in the chart. The BRRIT is included as a pre-construction project.

Authorized and Recommended Number of Grants and Funding Amount by Phase



Please see Attachment 1 for the full list of projects, including brief project descriptions, and funding amounts requested and recommended. Staff have 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.