



MEMORANDUM

DATE: September 20, 2013

TO: Governing Board
San Francisco Bay Restoration Authority

FROM: Amy Hutzler, Manager
San Francisco Bay Area Conservancy Program
State Coastal Conservancy

SUBJECT: Report on Draft Expenditure Plan

ATTACHMENTS: Sept. 9, 2013 Draft Expenditure Plan
Draft Preliminary Sample Project List

At its meeting on July 24, the Governing Board discussed the two-fold need for an expenditure plan that outlines potential uses of parcel tax revenue: 1) to inform and get feedback from stakeholders and potential supporters and 2) to appear in voter pamphlets as part of the ballot measure.

A Draft Expenditure Plan (attached) has been crafted to address statutory requirements, resonate with voters and other stakeholders, and anticipate implementation needs. To date, participants in crafting and refining the Draft Expenditure Plan have included Save The Bay and its consultants and staff of the Coastal Conservancy and the Association of Bay Area Governments. Ruth Bernstein of EMC and Beth Huning and Marc Holmes, representatives of the San Francisco Bay Joint Venture, were consulted during the initial drafting.

During the week of September 9, Governing Board Chair Sam Schuchat circulated the Draft Expenditure Plan to both the Governing Board and to its Advisory Committee for a first round of comments and feedback. The Governing Board meeting on September 25 will provide the first opportunity for discussion of the Draft Expenditure Plan among Governing Board members. To help focus your discussion, comments received to-date from Governing Board and Advisory Committee members and others are summarized below.

Governing Board member John Sutter provided a comment letter and Robert Doyle, General Manager of East Bay Regional Park District, provided a letter and a list of 21 projects along the Alameda and Contra Costa shoreline that potentially meet the objectives of the San Francisco Bay Restoration Authority.

Comments on the Draft Expenditure Plan were also provided in various formats by the following Advisory Committee members:

- Anne Morkill, Project Leader, San Francisco Bay National Wildlife Refuge Complex
- Laura Thompson, Manager, San Francisco Bay Trail Project
- Richard Mitchell, Director of Planning & Building Services, City of Richmond
- Adrian Covert, Policy Manager, Bay Area Council (representing Jim Wunderman)
- John Rizzo, Trustee, San Francisco City College
- Mike Mielke, Silicon Valley Leadership Group
- Sarah Rose, California League of Conservation Voters

In addition to comments from Governing Board and Advisory Committee members, a comment letter was received from Norman LaForce, Sustainability, Parks, Recreation, and Wildlife Legal Defense Fund (SPRAWLDEF).

Comments covered a variety of areas of the Draft Expenditure Plan, and generally fell in to one of five categories:

A. Project Eligibility

1. General

- i. “Overall it looks like a strong outline to guide expenditures for the highest and best benefit of the program goals outlined – improving health and safety, improved wildlife habitat, and increased public access to the Bay.” - Rose

2. Public Access

- i. “[Section B.3.a.] could be interpreted to mean that only deteriorating facilities, signs, and trails will be constructed, repaired, and replaced... I assume that construction of new facilities, new signs and new trails are an allowable expense under this plan.” - Thompson
- ii. “[Section B.3.a.] could be interpreted as only constructing trails and facilities to provide access for people with disabilities...when I believe the intent is to build facilities for everyone’s use.” – Thompson

3. Flood Protection

- i. Add flood protection to title, and throughout program descriptions. – Morkill
- ii. “Nowhere is flood protection mentioned in the expenditure plan. The Expenditure Plan should be consistent with the project types outlined in Article 2 of AB 2954, including flood protection – a critically important issue for the Bay Area Council.” - Covert
- iii. “SPRAWLDEF is very concerned that this money will be used for such ‘brick and mortar’ dike and levee proposals and not for habitat restoration... SPRAWLDEF does not view the use of restoration tax dollars for that purpose to be warranted.” Define what is meant by “building and restoring levees related to bay restoration”. – LaForce

4. Restoration

- i. Supplement reference to San Francisco Bay National Wildlife Refuge with references to lands owned by other public agencies. – Morkill
- ii. “Many people would be willing to support: a) Removal of bay fill and restoration of original shore line in specific locations, b) restoration of historic

streams that originally emptied into the bay, c) Cleaning up pollution ‘hot spots’ at ex-industrial locations, and d) Reintroducing native fish and wildlife. People are willing to support restoration efforts that are specific and that can be accomplished within 24 to 36 months” – Mitchell

iii. Will “projects that do not directly involve the Bay but concern streams and waterways be eligible for funding?” – LaForce

5. Other

i. Clarify whether land acquisition is eligible. – Morkill

ii. “[T]he expenditure plan does not provide adequate information for how long term maintenance and funding will be provided for stewardship of restored wetlands.” Are monitoring, maintenance, and stewardship eligible categories? - LaForce

iii. “...it seems prudent to list all potential candidates [for funding]. Standard list from grants.gov is an example.” - Morkill

B. Process for Developing Criteria and Evaluating Projects

1. “Who will make the decision as to the criteria to be used” - LaForce

2. “I see this as a fundamental role for the advisory committee – to help develop an objective-based process for filtering and ...using a variety of criteria for the Governing Board to select those projects to receive grants.” - Morkill

3. “...clarify the roles of the Advisory Committee vs the Governing Board, especially as it relates to making recommendations regarding priority setting and oversight.” – Mielke

4. “Will the public actually be commenting on selection of project grants or on the criteria used to select project grants? I would recommend the latter.” - Morkill

C. Specificity of the Plan

1. Programmatic Approach vs. Project List

a. “While there are advantages to the programmatic approach, there are also, in my view, some serious disadvantages... The board should, I think also discuss a project list, which is the usual method for revenue measures.” - Sutter

b. “The proposed expenditure plan appears to be too vague to generate sustained taxpayer support.” – Mitchell

c. “The plan does not specify projects or the criteria for how the projects would be evaluated for funding.” – LaForce

d. “I do think that allowing the authority or other oversight entities the ability to continuously manage towards improving best practices is a good idea. IN California we have certainly had experiences with focused and dedicated funding for programs that have been eclipsed by real world needs.” - Rose

2. Geographic Scope

a. “The Draft Plan leaves open the possibility that...all of the funds could be spent in a few of the 9 counties.” – Rizzo

b. “How does the East Bay, especially the West Contra Costa County area fit into the Authority’s concept?” – LaForce

c. “I don’t see anywhere in the document a statement about the scope of activities. Is the scope the entire 9 counties, or does it cover only those lands in public ownership (focused primarily in the South Bay)?” - Mielke

d. “Would you consider preparing a map that identifies specific problems and restoration projects, including their locations around the bay?” – Mitchell

3. Division Between Program Areas

- a. “Could you please clarify the following statement: *‘The restoration work accomplished by this measure will achieve the goals laid out in one or more of the three program areas described below.’* With the amount of money that the parcel tax and matching funds would generate, wouldn’t we expect to address all the areas listed?” – Mielke
- b. “...\$15 million per year sounds like too much for some of the proposed programs (providing environmental education) and too little for others (limiting pollutants and engaging in restoration activities).” - Mitchell

D. Authority Administration

1. “How many FTEs and what level of budget do you expect will be required to adequately staff the Authority?” – Mielke
2. “The 5% limit on administrative expenses in your draft proposal is commendable.” – Sutter
3. “How many meetings do you expect the Advisory Committee to participate in every year?” - Mielke

E. General Comments

1. Summary should be revised to be the same language as SFBRA brochure and fact sheets, which make a more compelling argument to voters and stakeholders. – Morkill
2. Change “landfill” to “development” in first paragraph - Mielke
3. Introductory paragraphs for sections C2 and C3 are identical – Morkill
4. “[A]rticulate what the success of the program looks like... how can we evaluate success of various investments... it will be important to tell the public about the investments made... and the direct impacts/improvements.” - Rose

Additional follow-up conversations with the majority of respondents yielded further substance to feedback. Members are generally supportive and understanding of the challenges inherent in the process of drafting such a document, and look forward to seeing a revised Draft Expenditure Plan and accompanying materials over the coming weeks. One suggestion made was for an illustrative document outlining projects in each county which would be eligible for funding under the criteria set forth in authorizing legislation and the Draft Expenditure Plan. With that in mind, attached is a Draft Preliminary Sample Project List that could be revised and expanded, mapped, and used to accompany the more programmatic Draft Expenditure Plan.

Following your September 25 discussion of the DEP, it is recommended that staff of ABAG and the Coastal Conservancy, with assistance from Save The Bay and TBWB, further refine the Draft Expenditure Plan and Draft Preliminary Sample Project List to reflect Governing Board direction; consult with tax and election law attorneys and staff counsel; and seek additional external feedback. The refined Draft Expenditure Plan would be returned to the Governing Board for consideration and additional input at its November 20 meeting, though final approval would not be recommended until the entire ballot measure and the associated resolution or ordinance is enacted by the Governing Board in late spring 2014.

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Note: This draft document reflects discussions to-date among stakeholders regarding potential expenditure priorities for a regional Restoration Authority revenue measure. It is intended to serve as a focus for continuing discussions leading up to formulation of a ballot measure and expenditure plan by the Restoration Authority. Nothing in this draft document should be construed to signify language that may or may not appear on a ballot measure or supporting campaign materials.

SAN FRANCISCO BAY SAFE, CLEAN WATER, POLLUTION PREVENTION, HABITAT RESTORATION AND SHORELINE ACCESS EXPENDITURE PLAN

A. Summary

Over the last century, we have had a massive impact on the Bay with landfill and toxic pollution. It is not too late to reverse what we've done and restore the Bay for future generations. The San Francisco Bay Safe, Clean Water, Pollution Prevention, Habitat Restoration and Shoreline Access parcel tax ("Measure") is estimated to generate approximately \$15,000,000 per year to support these goals.

The purpose of this measure is to give voters in the nine-county San Francisco Bay Area the opportunity to reverse the damage that has been done to the Bay and to support the removal of pollution, restoration of wildlife habitat, preservation of clean water, protection of shoreline communities, and expansion of trails and public access to the San Francisco Bay.

Part B of this Expenditure Plan ("Plan") outlines three programs for cleaning up, enhancing and restoring the San Francisco Bay. Part C of the Plan contains provisions for community oversight, accountability and public involvement.

B. Program Descriptions

This Measure will fund Bay restoration across the nine county Bay Area. The restoration work accomplished by this Measure will achieve the goals laid out in one or more of the program areas described below.

1. Safe, Clean Water and Pollution Prevention Program

The purpose of this Program is to remove pollution, trash and harmful toxins from the Bay to provide clean water for fish, birds and other wildlife.

- a. Improve water quality through limiting pollutants and engaging in restoration activities, making fish and wildlife healthier.
- b. Reduce pollution levels through shoreline cleanup and trash removal from the San Francisco Bay.

- c. Restore wetlands that provide natural filters and remove pollution from the water.
- d. Protect the public from the risks of severe flooding and storms by providing natural flood protection and building and restoring levees related to bay restoration.

2. Vital Fish, Bird and Wildlife Habitat Program

The purpose of this Program is to significantly improve wildlife habitat that will support and increase vital populations of fish, birds, and other wildlife in and around San Francisco Bay.

- a. Enhance the San Francisco Bay National Wildlife Refuge and other public lands in and around the Bay, providing expanded habitat for fish, birds and mammals.
- b. Protect and restore wetlands and other San Francisco Bay and shoreline habitat to benefit wildlife, including shorebirds, waterfowl and fish.

3. Shoreline Public Access and Education Program

The purpose of this Program is to enhance the quality of life of Bay Area residents through safer public access and educational opportunities compatible with bay restoration.

- a. Construct, repair and/or replace deteriorating facilities, signs, trails, etc. around the shoreline to protect natural resources and provide access for people with disabilities.
- b. Provide environmental education to protect natural resources and encourage community engagement.

C. Administrative Provisions

1. Funds will be administered by the San Francisco Bay Restoration Authority

The revenue raised by the Measure for the purposes described in this Plan will be administered by the San Francisco Bay Restoration Authority (“Authority”). The Authority is a regional entity created by the California legislature in 2008 to “raise and allocate resources for the restoration, enhancement, protection, and enjoyment of wetlands and wildlife habitats in the San Francisco Bay and along its shoreline” (Government Code Sections 66700 *et seq.*). The Restoration Authority Board is made up of local elected officials from each region of the Bay Area.

2. Accountability and Public Oversight

Implementation of the Plan shall be guided by the following procedures to ensure that the revenue generated by the Measure is spent in the most efficient and effective manner possible, consistent with serving the public interest in the Bay Area, and the desires of the voters of the Bay Area:

- a. The Authority will commission an independent annual audit of its revenue and expenditures and will also prepare an annual report on past and upcoming activities and publish an annual financial statement.
- b. The Authority has appointed a community-based Advisory Committee to provide advice on all aspects of its activities, to ensure maximum benefit for safe, clean water, pollution reduction, habitat restoration and public access. Advisory Committee meetings will be announced in advance and will be open to the public. The responsibilities of this committee include
 - Making recommendations regarding expenditure priorities.
 - Reviewing Plan expenditures on an annual basis to ensure they conform with the Plan.
 - Reviewing the annual audit and report prepared by the Governing Board, describing how Measure funds were spent.
- c. All actions, including decisions about selecting projects for funding, will be made by the Authority in public meetings with proper advance notice and with meeting materials and minutes available in advance to the public.

3. Implementation Requirements

Implementation of the Plan shall be guided by the following procedures to ensure that the revenue generated by the Measure is spent in the most efficient and effective manner possible, consistent with serving the public interest in the Bay Area, and the desires of the voters of the Bay Area.

- a. The Restoration Authority Governing Board shall conduct one or more public meetings annually to gain public input on selection of project grants to expend revenues generated by the Measure.
- b. Actual revenues generated by the Measure may be higher or lower than estimates in this Plan due to variability in annual tax receipts. The Authority shall annually estimate revenue from the Measure.
- c. The Authority may accumulate revenue over multiple years so that

sufficient funding is available for larger and long-term projects. All interest income shall be used for the purposes identified in this Plan.

- d. To enhance local workforce development and employment opportunities, and involve youth and young adults in caring for our natural resources, the Authority will encourage grantees to engage local community based organizations and businesses in projects funded by this Measure.
- e. No more than 5% of the Measure's annual expenditures may be used for administrative expenses by the Authority.

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SAN FRANCISCO BAY RESTORATION AUTHORITY

DRAFT Preliminary List of Sample Projects

September 17, 2013

Project	County	Project Description	Lead Organizations
McLaughlin Eastshore State Park	Alameda, Contra Costa	Creation or restoration of beach, dune, wetland, coastal prairie, and creek habitats, and shoreline access projects.	East Bay Regional Park District
Coyote Hills	Alameda	Restore marsh, seasonal wetlands, and coastal prairie for endangered wildlife and improve shoreline access.	East Bay Regional Park District
South Bay Salt Ponds Restoration Project: Eden Landing, Alviso, and Ravenswood Ponds	Alameda, San Mateo, Santa Clara	Restoration and enhancement of former salt ponds, flood management levees and infrastructure, and public access, including Bay Trail segments.	Department of Fish and Wildlife, State Coastal Conservancy
Dutch Slough	Contra Costa	Tidal restoration in the southwestern Delta, using fill material to raise elevations and levees to provide flood protection, and construction of public access trails.	Department of Water Resources, State Coastal Conservancy, Department of Fish and Game
Breuner Marsh	Contra Costa	Restoration of tidal marsh, seasonal wetland and coastal prairie by removing and recontouring fill, construction of a 1.5 mile segment of Bay Trail and an Interpretive Center, and restoration at the mouth of Rheem Creek.	East Bay Regional Park District
Bel Marin Keys	Marin	Design and implementation of tidal restoration, using dredged sediment to raise elevations prior to breaching, a levee to protect neighboring communities, and completion of Bay Trail segments.	State Coastal Conservancy
Lower Napa River Wetlands	Napa	Enhancement of tidal marshes and managed wetlands along the lower Napa River, including public access, bird islands, water control structures, monitoring, and operation of facilities.	California Department of Fish and Wildlife
Yosemite Slough	San Francisco	Completion of park improvements (entry, parking, signs, trails, visitor center, etc.), monitoring of restored wetlands, and operations and maintenance of wetlands and visitor amenities	California State Parks Foundation, State Parks
Crissy Field Educational Programs	San Francisco	Programs at Crissy Field to engage youth in the protection and restoration of San Francisco Bay.	Golden Gate National Recreation Area, Golden Gate National Parks Conservancy
Cullinan Ranch	Solano	Monitoring and management of restored wetlands	U.S. Fish and Wildlife Service, Ducks Unlimited
Suisun Marsh	Solano	Enhancement of marshes within Suisun Marsh to benefit waterfowl and shorebirds.	Department of Fish and Wildlife, Suisun Resource Conservation District, Solano Land Trust
Sears Point	Sonoma	Completion of restoration, construction of public access improvements, and monitoring and management of restored wetlands.	Sonoma Land Trust, Ducks Unlimited
Petaluma River	Sonoma	Enhancement of wetlands along the Petaluma River to provide habitat for fish and wildlife and projects to complete trail segments and provide water access for nonmotorized boats.	Friends of the Petaluma River, City of Petaluma, Department of Fish and Wildlife
Living Shorelines: Oyster and Eelgrass Restoration	Marin, Alameda, Contra Costa	Restoration of eelgrass and oyster beds at a number of sites along the shoreline of San Francisco Bay, with the goal of providing shoreline protection from waves and erosion while providing habitats for wildlife and improving water quality.	State Coastal Conservancy, San Francisco State University, UC Davis, NOAA Fisheries
Coastal Clean-Up Activities	Baywide	Support for Coastal Clean-Up Day at sites around the Bay.	Coastal Commission, Save The Bay, cities and counties, others.