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## MEMORANDUM

**DATE:** April 27, 2018

**TO:** Advisory Committee  
San Francisco Bay Restoration Authority

**FROM:** Matt Gerhart, Program Manager; Kelly Malinowski, Project Manager; Jessica Davenport, Project Manager  
San Francisco Bay Restoration Authority

**SUBJECT:** Lessons Learned from the First Grant Round and Proposed Revisions to the Grant Program Guidelines, Request for Proposals, and Grant Application Form

Staff requests feedback from the Advisory Committee on proposed revisions to the Grant Program Guidelines (Grant Guidelines), Request for Proposals (RFP), and Grant Application Form (Application). The proposed changes will be presented to the Governing Board for their initial consideration at their June 2018 meeting and final approval at their September 2018 meeting.

### **Background**

The San Francisco Bay Restoration Authority (Authority) adopted amendments to the Grant Guidelines in June 2017. The Grant Guidelines are a summary of the requirements of the San Francisco Bay Restoration Authority Act (Restoration Act) and the language included in the San Francisco Bay Clean Water, Pollution Prevention, and Habitat Restoration Measure (Measure AA), as well as some explanation of how the Authority will apply them.

The Authority adopted and released a RFP and Application for the Measure AA grant program in September 2017. The RFP and Application provide additional guidance on project eligibility and evaluation criteria.

Since that time, the Measure AA grant program has gone through its first grant cycle. Project proponents submitted applications, staff and members of the Advisory Committee (AC) reviewed applications, staff prepared recommendations, and the Governing Board approved grant awards in April 2018 (See Attachment 1, Overview of Round 1 Grant Recommendations).

During the Authority’s first grant cycle this past year, staff tracked lessons learned and received input on suggested improvements to the grant program documents. Proposed revisions based on these are shown in the three attached, updated redline versions of the documents.

- Draft Grant Program Guidelines (Attachment 2)
- Round 2 Draft Request for Proposals (Attachment 3)
- Draft Round 2 Grant Application Form (Attachment 4)

Many of the lessons learned and comments received involved clarifications of eligibility requirements. The following sections present three overarching issues that came up repeatedly; a brief summary of additional edits made to clarify eligibility requirements; and a summary of two public comments received on the first grant round documents.

## 1. Key Issues

The three most critical issues that surfaced during the first grant cycle are:

- Acquisitions: Are acquisition projects eligible for funding?
- Mitigation: Are a restoration project’s mitigation requirements eligible for funding?
- Dredging and Beneficial Reuse: How should requests for funding the cost of beneficial reuse of dredged material in habitat restoration projects be evaluated?

Staff proposes to address these issue as described below.

### *Acquisition Projects*

Acquisition projects are not explicitly named as eligible project phases in the San Francisco Bay Restoration Authority Act (Act) or as eligible project activities in Measure AA. However, the Act does state that all phases of an eligible project may be funded and that eligible projects may “protect” natural habitats, which can be interpreted to include the acquisition of land intended to be restored. Therefore, staff is considering recommending that “acquisition” be added to the list of eligible project phases described on page 13 of the Grant Guidelines and added to the list of eligible project phases on page 4 of the RFP. Further, additional guidance on information needed about an acquisition project would be added to the project description section of the Application

Staff proposes to make the following revision on page 13 of the Grant Guidelines:

“According to the Restoration Act, grant funds may be used to support “all phases of a project, including planning, construction, monitoring, operation, and maintenance.” The Authority interprets "all phases of a project" to include acquisition, planning, design, environmental studies, permitting, construction, monitoring and evaluation, operation, scientific studies as part of the project to guide adaptive management, and maintenance.”

Staff proposes to make the following revision on page 4 of the RFP:

“Eligible project phases include acquisition, planning, design, environmental studies, permitting, construction, monitoring and evaluation, operation, scientific studies as part of the project to guide adaptive management, and maintenance.”

Add a footnote: “If your project is an acquisition, please include details of the restoration benefits in the project description section of the application.”

In the Application, staff proposes to add a footnote on page 3, referring to the Project Description:

“If your project is an acquisition of land that will require restoration, please include details of the expected restoration benefits of the project here.”

Also, in the Application, staff proposes to add a checkbox on Page 1 for “acquisition” projects.

### ***Mitigation***

During the first grant round, a question arose about whether the mitigation requirements of a restoration project are eligible for funding. The grant guidelines already state that “The Authority will not fund mitigation requirements of a project that will result in net damages to habitat elsewhere.” However, if mitigation is required for a project that will achieve the purposes of the Restoration Authority Act and Measure AA, staff recommends that it be eligible for Measure AA funding. The following edits will be made to the Grant Guidelines, the RFP, and the Application regarding mitigation projects:

Staff proposes to make the following revision on page 16 of the Grant Guidelines:

“The Restoration Authority will primarily fund voluntary habitat restoration projects. The Authority will not fund offsite mitigation requirements of a project that will result in net damages to habitat elsewhere. However, the Authority may fund the mitigation requirements of a project that is eligible for Measure AA funds. The Authority may contribute to a project that is making use of mitigation funds, but the Authority's share of the funds must pay for an incremental improvement beyond compensation for damages elsewhere.”

Staff proposes to add this section under “d. Eligible Types and Activities” on page 6 of the RFP:

#### **“Additional Eligibility Considerations**

**Not all mitigation projects are eligible for Measure AA funds. Please refer to the Grant Program Guidelines for eligibility requirements for mitigation projects.”**

Staff proposes to add question #14 on page 5 of the Application:

**“Permitting and Mitigation. If your project has progressed to this phase, please describe the status of your permits, as well as the general nature of any mitigation requirements. If your project has not yet reached the permit phase, do you anticipate any particular permitting or mitigation challenges?”**

## ***Beneficial Reuse of Dredge Material in Restoration Projects***

The Authority received several applications for funding some or all of the cost of bringing dredged material to subsided restoration sites, but reviewers encountered difficulty in interpreting a series of issues related to the efficacy, suitable costs, and eventual benefits of these proposals. The staff recommends that additional guidance be developed before encouraging the submittal of such proposals, including clarifying the need for an application to be tied to a specific restoration site.

Staff will seek additional guidance from the Advisory Committee on how to evaluate such applications when comparing them to other restoration project applications that do not need dredged material, and how to compare various types of reuse with one another. Staff also intends to seek guidance on these questions from the participants in the working groups of the *Long-Term Management Strategy for the Placement of Dredged Material in the San Francisco Bay Region* (LTMS).

No revisions related to these issues are proposed at this time.

## **2. Summary of Additional Edits Made to Clarify Eligibility Requirements**

### Proposed Edits to the Grant Guidelines:

- Adjust release date.
- Fix spacing.

### Proposed Edits to the RFP:

- Adjust release date.
- Add page numbers.
- Fix spacing.
- Update application link.
- Under V.a, change language to read that “Grant applications will be initially reviewed screened by Authority staff for completeness.”

### Proposed Edits to the Application:

- Adjust release and due dates.
- Add clarification to the “Acres” box on Page 2, to indicate either habitat acreage to be restored, or land to be acquired.
- Add clarification to the “Trail Miles” box on Page 2, to include “length” after “trail.”
- Add clarification to the “Shoreline length” box on Page 2, to include “miles.”
- Add additional check boxes for further clarification on CEQA on page 1-2: Indication of if CEQA is required for the project, if CEQA has been approved and filed, and the type of CEQA document, which is also included on page 4.
- Edited Section II. Grant Application – Preliminary Budget and Schedule on page 6 to remove the embedded budget, which will instead be attached to the application. The following language edits were made in this section to reflect this change:
  - i. Remove the following sentence, “*Please use the embedded excel document to provide the project’s preliminary budget and schedule information. In your completed application, the budget can be sent separately in excel, or*

*embedded below,” and added the following sentence: “Please use the provided budget matrix (in excel document form) to outline your budget, and attach that excel document to this application.”*

- ii. Change in the second paragraph “In the budget matrix attached to your application below, relist the tasks identified in #7 above.”
- iii. Change in the fifth paragraph “Below, and in addition to completing the attached budget matrix ~~the budget matrix~~, please also include a discussion of any uncertainties in the budget...”

### **3. Summary of Public Comments on the Grant Guidelines, RFP, and Grant Application**

#### Comment #1:

Sarah Young, former Advisory Committee member and staff at the Santa Clara Valley Water District, submitted a general comment email on February 14, 2018, requesting that staff “add a page to the SFBRA website with resources for grantees, including: 1. Timeline of what to expect from grant application to completion, and 2. Template for board resolution for grantee agency.”

Staff let Ms. Young know that several of these already were available and another is under development. Resources for grantees are hosted on the SFBRA website (the “Grants” tab for resources related to the grant program specifically, and the “Resources” tab for additional resources). There is also a “Typical Sequence of Events for Accepting a San Francisco Bay Restoration Authority Grant” document, found on the “Grants” tab of the SFBRA website, that explains what to expect from a SFBRA grant from application to completion. The Authority is also currently developing a template board resolution for grantees.

#### Comment #2:

Robert E. Doyle, General Manager, East Bay Regional Park District submitted a comment letter specific to the Grant Guidelines and RFP on April 6, 2018, to express that the Park District will work collaboratively with the SFBRA to identify future projects in Contra Costa County. Mr. Doyle also noted that the Park District has found the Grant Guidelines to be challenging in finding suitable projects in urban areas. He specified that “linking every eligible project to restoration severely limits the types of projects which can be physically completed along an urban shoreline.” Mr. Doyle further commented that “many of our proposed projects along the Richmond, Oakland, and North Contra Costa County shorelines involve increasing access, cleaning up degraded areas, and stabilizing shoreline infrastructure.” Mr. Doyle outlined some thoughts on how to improve the Grant Guidelines:

1. “Support eligibility for grants for acquisition.
2. Provide flexibility in allowing public access or flood management projects that are not part of a restoration project.
3. Allow cleanup projects or repair of failing shoreline infrastructure, particularly in areas where physical and regulatory limitations would preclude any meaningful restoration.
4. Consider climate resiliency projects as a way to reduce SF Bay pollution.”

After reviewing the comment letter, staff have determined that:

- Comment #1 above is covered under the current edits to the Grant Guidelines, as outlined in this memo.

- Comments #2 and #3 above conflict with both the language in Measure AA, as well as the language in the Restoration Act, which require that both public access and flood protection projects must be tied to a restoration project.
- Comment #4 is possible under the current Grant Guidelines.

### Next Steps

The staff will propose revisions to the Governing Board at their June 1, 2018 meeting that incorporate input from the AC and the public and reflect best professional judgment on how to clarify the requirements of grant program. Staff expects to further refine these amendments based on Governing Board input in June and present a proposed version for adoption by the Board at their September meeting.

### Attachments

1. Overview of Round 1 Grant Recommendations (Staff Memo to the Governing Board)
2. Proposed Revisions to the Grant Program Guidelines (Redline Version)
3. Proposed Revisions to the Proposal Solicitation (Redline Version)
4. Proposed Revisions to the Application Form (Redline Version)