MEMORANDUM

DATE: June 2, 2017

TO: Governing Board
San Francisco Bay Restoration Authority

FROM: Sam Schuchat, Executive Officer; Matt Gerhart, Program Manager; Jessica Davenport, Project Manager
San Francisco Bay Restoration Authority

SUBJECT: Amendments to the Grant Program Guidelines

Staff recommends that the Authority adopt Resolution 31 to amend the Grant Program Guidelines (Grant Guidelines).

Background

The San Francisco Bay Restoration Authority (Authority) adopted the Grant Guidelines in April 2016 in anticipation of the June 2016 vote on The San Francisco Bay Clean Water, Pollution Prevention and Habitat Restoration Measure (Measure AA). The Guidelines were a summary of the requirements of the San Francisco Bay Restoration Authority Act (Restoration Act) and the proposed Measure AA, as well as some explanation of how the Authority will apply them.

The Authority received many questions from the public that were not answered by the initial Grant Guidelines, including about project eligibility criteria, prioritization factors, and success criteria. The Governing Board directed the staff to solicit input from the Authority’s Advisory Committee (AC) and the public, and to propose amendments to the Grant Guidelines.

Staff presented draft amendments to the Grant Guidelines at the Authority’s April 14, 2017 meeting. This draft incorporated comments from an ad hoc subcommittee of the AC, other members of the AC, and members of the public. Based on comments received from the Governing Board at the April meeting and input received from the AC at their meeting on May 12, 2017, staff has prepared a proposed final version of the amended Grant Guidelines. The attached redline version shows changes made to the amended Grant Guidelines compared to the April 2017 draft.
Key Issues

At the April meeting, the Governing Board supported staff’s approach to amendments in the following areas:

- Eligible project locations;
- Providing benefits to economically disadvantaged communities;
- The priority given to implementation projects versus planning projects;
- The purpose of the potential project list; and
- The need for success criteria, monitoring and evaluation.

Those amendments were summarized in the staff memo prepared for the April meeting.

The Governing Board requested additional input on the following subjects:

- Definition of economically disadvantaged communities;
- Focus on funding voluntary habitat restoration projects rather than mitigation projects; and
- References to the importance of native plants and hybrid flood protection strategies.

Staff proposes to address these issues as described below.

1. Definition of Economically Disadvantaged Communities

Measure AA provides that the Authority will give priority to projects that meet eleven criteria, including the criterion that a project “benefit economically disadvantaged communities.” In the April draft of the Grant Guidelines update, staff proposed an explanation of what it means for a project to provide such benefits. The Board requested additional input on the definition of economically disadvantaged communities, and AC responded by developing a definition and adopting it as a recommendation to the Board at their May 2017 meeting.

In Appendix C, section 2D, staff proposes a slightly revised version of the AC’s definition, edited for clarity:

“An economically disadvantaged community (EDC) is defined as a census tract with a median household income less than 80% of the area median income (AMI). Within this set of low-income communities, high priority EDCs are further defined as groups that are historically underrepresented in environmental policymaking and/or projects; most economically and environmentally impacted by heavy industrial activity and development; most vulnerable to climate change impacts, due to lack of resources required for community resilience; and severely burdened by housing costs, increasing the risk of displacement.”

2. Voluntary Habitat Restoration Projects vs. Mitigation

In Appendix C, section 2A, the explanation of projects that “have the greatest positive impact on the Bay as a whole,” staff proposes to add the following:
“The Restoration Authority will primarily fund voluntary habitat restoration projects. The Authority will not fund mitigation requirements of a project that will result in net damages to habitat elsewhere. 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.”

3. Native Plants and Hybrid Flood Protection Strategies

In Appendix B, section 2A, the description of eligible habitat restoration projects, staff proposes to add a reference to the importance of native plants:

“The Restoration Act calls for funding projects that “restore, protect, or enhance tidal wetlands, managed ponds, or natural habitats” (Section 66704(b)). The Authority defines "natural habitats" as those consistent with existing guidance on baylands, riparian and subtidal habitats (see relevant local or regional plans, Appendix E); these can include habitats that have been modified by human activity but still provide tangible wildlife support and/or ecological value. Projects should restore, protect or enhance habitat for native species, including native plants.”

In Appendix C, section 2A, the explanation of projects that “have the greatest positive impact on the Bay as a whole…” staff proposes to add the following:

“With respect to flood protection, the Restoration Authority will prioritize funding for the use of nature-based flood protection through restoration of wetlands and transitional habitats. A second priority for funding will be hybrid flood protection strategies, such as horizontal levees, that integrate habitat restoration with new or improved levees that are a necessary part of wetland restoration activities, to protect existing shoreline communities and other assets. However, the Authority may also fund flood protection necessary to a restoration project that is not integrated with habitat restoration.”

In addition to the changes described above, staff proposes to make various minor changes shown in the attached redline version of the Grant Guidelines, including the addition of two regional plans, and wording changes to improve clarity.

Recommendation

Staff recommends that the Authority adopt Resolution 31 to amend the Grant Program Guidelines. Key changes compared to the initial Grant Guidelines include: clarification of eligible project locations; definition of economically disadvantaged communities and what it means for a project to provide benefits to such communities; changes in the purpose of the potential project list; and expansion of the description of the need for success criteria, monitoring and evaluation.

Attachments
1. Amended Grant Program Guidelines (Redline Version, compared to the April 14, 2017 Draft)
2. Resolution 31