

COASTAL CONSERVANCY

Staff Recommendation
May 29, 2014

BAY AREA REGIONAL ADVANCE MITIGATION

File No. 14-020-01
Project Manager: Matthew Gerhart

RECOMMENDED ACTION: Authorization to disburse up to \$185,000 to The Nature Conservancy to work with the Metropolitan Transportation Commission (MTC) to conduct technical analyses, perform outreach and develop program guidelines for a pilot Bay Area Regional Advance Mitigation Program.

LOCATION: All nine San Francisco Bay Area counties (San Francisco, San Mateo, Santa Clara, Alameda, Contra Costa, Solano, Napa, Sonoma, Marin)

PROGRAM CATEGORY: San Francisco Bay Area Conservancy

EXHIBITS

Exhibit 1: [Map of the San Francisco Bay Area](#)

Exhibit 2: [RAMP Fact Sheet](#)

Exhibit 3: [Project Letters](#)

RESOLUTION AND FINDINGS:

Staff recommends that the State Coastal Conservancy adopt the following resolution pursuant to Sections 31000 *et seq.* of the Public Resources Code:

“The State Coastal Conservancy (“Conservancy”) hereby authorizes disbursement of up to one hundred eighty five thousand dollars (\$185,000) to The Nature Conservancy (TNC) to work with the Metropolitan Transportation Commission (MTC) to conduct technical analyses, perform information gathering and educational outreach, and develop program guidelines for a pilot Bay Area Regional Advance Mitigation Program. Prior to the commencement of work and the disbursement of funds, TNC shall submit for the review and written approval of the Executive Officer of the Conservancy a detailed work program, schedule and budget and the names and qualifications of any contractors to be employed in carrying out the project.”

Staff further recommends that the Conservancy adopt the following findings:

“Based on the accompanying staff report and attached exhibits, the State Coastal Conservancy hereby finds that:

1. The proposed project is consistent with the current Project Selection Criteria and Guidelines.
2. The proposed authorization is consistent with the purposes and criteria of Chapter 4.5 of Division 21 of the Public Resources Code (Sections 31160-31165), regarding the San Francisco Bay Area Conservancy Program.
3. TNC is a nonprofit organization existing under Section 501(c)(3) of the United States Internal Revenue Code, and whose purposes are consistent with Division 21 of the California Public Resources Code.”

PROJECT SUMMARY:

Staff requests authorization to disburse up to \$185,000 to The Nature Conservancy (TNC) to work with the Bay Area’s Metropolitan Transportation Commission (MTC) to develop a Bay Area Regional Advance Mitigation Program (RAMP). The proposed project entails: a) performing outreach to understand organizational needs and gain support, b) analyzing mitigation needs and developing priorities for conservation investment, c) developing program guidelines, d) assisting MTC with implementation of the pilot RAMP and e) based on the pilot, recommending options for a full scale RAMP.

The California Environmental Quality Act (CEQA) requires public entities undertaking infrastructure development to ensure to the extent feasible that such development does not adversely affect the environment. In order to do so, they often mitigate the environmental impacts of their projects (defined as taking actions to avoid and reduce potential impacts as well as compensate for unavoidable impacts). Mitigation can include restoring habitat acreage lost, enhancing degraded habitat, and protecting high value lands. Public entities typically decide how to mitigate the environmental impacts of their infrastructure projects on a project-by-project basis, which often results in mitigation that is expensive, implemented after environmental impacts of development have already occurred, and not integrated with a regional conservation vision, thereby losing opportunities to maximize conservation value.

Regional advance mitigation planning is an alternative to project-by-project mitigation that aims to integrate conservation into infrastructure agencies’ plans and project development well in advance and on a regional scale to reduce potential impacts of transportation projects, as well as to drive mitigation dollars to protect regional conservation priorities and protect important ecological functions that are at threat of loss. Regional advance mitigation planning offers significant benefits to transportation agencies – they can plan comprehensively for project delivery and reduce costs attributed to mitigation, achieve significant conservation benefits and accelerate project delivery.

Two county transportation agencies – in San Diego and Orange counties – successfully employ the RAMP approach and are seeing benefits. The Bay Area is poised to engage in regional advance mitigation planning for transportation impacts on a regional or sub-regional scale, given the scale of expected impact, the existence of a regional conservation vision and the supportive political environment. MTC is interested in pursuing this strategy and included it as a possible

mitigation option in its Environmental Impact Report for Plan Bay Area; however, MTC needs significant assistance, encouragement and guidance to successfully establish a program that meets both transportation needs and conservation outcomes. MTC is not a conservation organization, and it seeks assistance from the Conservancy and other regional conservation partners in ensuring that the strategy addresses regional conservation needs.

As a biodiversity hot spot of global significance, the Bay Area hosts an extraordinarily rich array of valuable natural communities and ecosystems that provide habitat for rare plants and wildlife; clean drinking water; clean air; opportunities for outdoor recreation; and protection from disasters like flooding and landslides. The natural communities and ecosystems support residents' health and quality of life and will be critical to adaptation to climate change. One of the Bay Area's challenges is to protect and restore these natural communities and ecosystems as the population grows. MTC and the Association of Bay Area Governments (ABAG) recently approved Plan Bay Area, which constitutes the Bay Area's regional transportation and sustainable communities plan. Plan Bay Area indicates that over the next 20 years, transportation agencies in the San Francisco Bay Area plan to implement 698 transportation projects – roads, bridges, transit and rail lines – to serve the growing population and thriving economy. A recent assessment conducted by researchers from U.C. Davis and TNC of the potential impact of these transportation projects identified 181 projects that may impact between 8,400 – 11,000 acres of the Bay Area's important species, habitat, farmlands and rangelands, rivers and streams. Many of those projects are likely to increase fragmentation and degradation of existing habitats and species.

Establishment of a RAMP for the Bay Area is consistent with numerous Conservancy investments, particularly its support of the Upland Habitat Goals/Conservation Lands Network, the Baylands Ecosystem Habitat Goals, and the Bay Area Critical Linkages project. A RAMP would help build a consistent source of funding as well as broader regional consensus towards achieving the goals set forth in these plans by providing a mechanism and set of more specific priorities for pursuing transportation mitigation in the region. A RAMP would also build on and integrate with the Conservancy's partnership with MTC to develop and administer the Priority Conservation Areas grant program, which the Conservancy approved in March 2014. It is envisioned that the Coastal Conservancy may partner with the MTC to potentially manage a RAMP, leveraging the Coastal Conservancy's expertise in mitigation projects and credibility among the various stakeholders in the Bay Area. This strategy aligns with the Coastal Conservancy's organizational goal to develop new sources of funding for conservation; in this case, a RAMP in the Bay Area would enable mitigation funding to be aggregated and directed to protect, restore and manage key regional conservation priorities.

The proposed project is designed to provide capacity to the MTC to develop and eventually adopt a RAMP as a regular part of transportation planning and implementation. The goal of the proposed project is to develop a program in the Bay Area that would effectively integrate conservation into MTC and county Congestion Management Agencies (CMAs) plans and project development, reduce potential impacts of transportation projects, and create a funding stream to achieve regional conservation priorities. It would help align the work of numerous permitting authorities that commonly require mitigation for such projects – it is expected that the project will engage agencies such as the U.S. Fish and Wildlife Service, California Department of Fish and Wildlife, Regional Water Quality Control Board, Army Corps of Engineers, U.S.

Environmental Protection Agency, and potentially others such as the National Oceanic and Atmospheric Administration and Bay Conservation and Development Commission to determine their ability to participate in such a program. The ultimate goal is for the MTC to develop and approve a RAMP for inclusion in its next Regional Transportation Plan in 2017.

Key objectives of the project are to:

- 1) Build support for RAMP at the regional and sub-regional scales among agency decision makers, regulatory agencies, potential partners and stakeholders. This will involve the development of a technical advisory committee representative of key transportation and conservation stakeholders.
- 2) Develop analyses to prioritize action based on science, conservation and transportation agency needs. This will involve performing a regional mitigation needs analysis as well as preparing regional mapping of priority areas for transportation mitigation investment based upon regional plans and needs that will help prioritize and focus mitigation investments.
- 3) Identify solutions to key issues such as financial model and mitigation policies.
- 4) Test RAMP through a pilot project, and develop lessons learned.
- 5) Establish a successful RAMP with a model that other regions can emulate, thereby encouraging others to engage in RAMP throughout the state and beyond.
- 6) Bring MTC to a decision point on adopting a RAMP program as a core business practice and providing funding and capacity for management.

TNC is a 501(c)(3) nonprofit corporation that brings critical state-wide expertise and capacity to the project. It has been working with state infrastructure agencies and federal and state resource agencies since 2008 to develop a statewide framework for state agencies to engage in regional advance mitigation planning. It has experienced success in helping create a draft statewide framework document, advancing a pilot in the Central Sacramento River Valley and securing legislation at the state and federal levels to encourage the creation of RAMPs and remove barriers to implementation. Though the Conservancy has not previously authorized funding to TNC for this work, TNC has a long history of successfully managing grants with the Conservancy.

Project History: In 2011 as MTC and ABAG were developing Plan Bay Area, TNC and partners such as Greenbelt Alliance, the Bay Area Open Space Council and the Conservancy began encouraging MTC and ABAG to include RAMP as a potential strategy to advance transportation, land use and conservation goals as part of Plan Bay Area. Plan Bay Area aims to promote sustainability and achieve climate goals in the Bay Area by aligning transportation investments toward those goals. A RAMP was considered and recommended by MTC and ABAG as a potential future mechanism to help achieve that alignment.

The project builds on over a decade of Conservancy investments in providing conservation planning and strategic direction to the region. Foremost among these have been authorizations since 2006 for developing the Upland Habitat Goals/Conservation Lands Network – the region’s first science based prioritization of critical biodiversity goals and targets (\$320,000 and \$360,000 authorized in 2006 and 2008, respectively). Additionally, work to update the Baylands Ecosystem Habitat Goals (approximately \$388,000 authorized between 2010 and 2014) to incorporate the effects of climate change, as well as input and assistance in developing a regional

Critical Habitat Linkages plan (approximately \$50,000 authorized in 2010) have and will continue to contribute to this project.

PROJECT FINANCING:

Coastal Conservancy	\$185,000
Metropolitan Transportation Commission*	\$65,000
The Nature Conservancy	<u>\$15,000</u>
Total Project Cost	\$265,000

* *Expected over the next two years depending on work sequence and funding flow.*

The anticipated source of Conservancy funds is the fiscal year 2012/13 appropriation from the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 (Proposition 84) (Public Resources Code sections 75001 *et seq.*) for the San Francisco Bay Area Conservancy Program. This funding source may be used for San Francisco Bay Area Conservancy Program projects that protect bays and coastal waters and watersheds, including projects to protect and restore the natural habitat values of coastal waters and lands and projects and expenditures to promote access to and enjoyment of the coastal resources of the state. Public Resources Code section 75060(c). Proposition 84 funds may also be used for broad-based planning “necessary for the successful design, selection, and implementation of” such projects. Public Resources Code section 75072. Consistent with sections 75060 and 75072, the proposed project will establish a regional program that will provide the planning necessary for the successful design, selection and implementation of projects that will mitigate transportation impacts by protecting and restoring the natural habitat values of the San Francisco Bay and its watershed and that will be consistent with the Conservancy’s San Francisco Bay Area Conservancy Program, Chapter 4.5 of Division 21 of the Public Resources Code, as discussed below.

Significant additional staff in-kind match funding is being provided via Conservancy and MTC staff participation in the development of the program.

CONSISTENCY WITH CONSERVANCY'S ENABLING LEGISLATION:

The Conservancy is authorized under Section 31111 of the Public Resources Code to fund and undertake plans and feasibility studies in order to implement Division 21. This project would both plan for, and determine the feasibility, of a regional advance mitigation program in the San Francisco Bay Area.

This project is undertaken in accordance with Chapter 4.5 of the Conservancy’s enabling legislation, Public Resources Code Sections 31160-31165, regarding the San Francisco Bay Area Conservancy Program.

Under Section 31162, the Conservancy may award grants within the Bay Area that will help achieve the following goals: (a) improve public access to, within and around the San Francisco Bay, coast, ridgetops, and urban open spaces; (b) protect natural habitats and connecting corridors; (c) assist in the implementation of the adopted plans of local governments and districts; and (d) promote and assist projects that will provide open space and natural areas accessible to urban populations for recreational and educational purposes. The proposed project will help achieve these goals by establishing a program for regional planning that will facilitate

improved design, selection and implementation of San Francisco Bay protection and restoration projects that achieve these goals. In addition, the proposed project will assist in the implementation of Plan Bay Area.

Section 31163(a) directs the Conservancy to cooperate with local and regional government bodies, non-profit organizations, and other interested parties in identifying and adopting long-term resource and recreational goals for the San Francisco Bay Area. Section 31163(b) directs the Conservancy to participate in and support interagency actions and public/private partnerships in the San Francisco Bay Area for the purpose of implementing subdivision 31163(a), and providing for broad-based local involvement in, and support for, the San Francisco Bay Area Conservancy Program. Consistent with this section, the proposed project entails the Conservancy's cooperation with TNC and MTC to develop a refined set of San Francisco Bay resource goals specific to transportation mitigation opportunities and needs. TNC's expertise will enhance the ability of Conservancy and MTC staff to interface effectively in guiding transportation-related investments in conservation.

This project is appropriate for prioritization under the selection criteria set forth in Section 31163(c) in that (1) it is supported by local and regional plans that call for coordinated action to protect open space and recreational opportunities for local and regional use, including the Conservation Lands Network; Plan Bay Area; the policies of county general plan open space elements throughout the region; over a dozen cities' urban limit and urban growth boundary policies; policies and plans of local conservation districts such as the Sonoma County Agricultural Preservation and Open Space District, Midpeninsula Regional Open Space District, Marin County Open Space District, and Santa Clara County Open Space Authority; (2) it serves a regional constituency – the nine-county Bay Area; (3) it can be implemented in a timely way because initial program scoping and staff commitments are already in place; and (4) it is anticipated to include significant matching funds.

Finally, consistent with Section 31165, the proposed project will improve the design, selection and implementation of Bay restoration and protection projects that mitigate transportation impacts and therefore it constitutes an activity that is compatible with the preservation, restoration and enhancement of ocean, coastal and bay resources and that will benefit the San Francisco Bay region.

**CONSISTENCY WITH CONSERVANCY'S
STRATEGIC PLAN GOAL(S) & OBJECTIVE(S):**

Consistent with **Goal 10, Objective A** of the Conservancy's Strategic Plan, the proposed project will help identify and prioritize long-term resource and recreational goals for the San Francisco Bay Area, including projects that protect and enhance natural habitats and other open-space land of regional significance, through the development of priorities and mechanisms for focusing regional funding for the mitigation of development impacts.

**CONSISTENCY WITH CONSERVANCY'S
PROJECT SELECTION CRITERIA & GUIDELINES:**

The proposed project is consistent with the Conservancy's Project Selection Criteria and Guidelines, last updated on November 10, 2011, in the following respects:

Required Criteria

1. **Promotion of the Conservancy's statutory programs and purposes:** See the "Consistency with Conservancy's Enabling Legislation" section above.
2. **Consistency with purposes of the funding source:** See the "Project Financing" section above.
3. **Support of the public:** This project is supported by regional conservation partners, MTC and the Army Corps of Engineers (Exhibit 3).
4. **Location:** The proposed project addresses conservation needs and opportunities in the entire nine-county San Francisco Bay Area.
5. **Need:** Without Conservancy financial and staff support, TNC and MTC would not be able to effectively bring together relevant parties, develop consensus on approach, and bring a pilot to fruition. The Conservancy has been approached as the most effective and appropriate entity to convene and facilitate many of the conservation elements of the program.
6. **Greater-than-local interest:** The proposed project has a regional scope, addressing San Francisco Bay Area conservation needs in all nine counties.
7. **Sea level rise vulnerability:** Plan Bay Area addressed sea level rise effects in the region, and began the process of developing adaptation strategies for vulnerable development, including transportation assets. It is expected that this project will integrate with further development of sea level rise planning anticipated for the 2017 update to Plan Bay Area to further address these needs in the context of regional mitigation.

Additional Criteria

10. **Leverage:** See the "Project Financing" section above.
12. **Innovation:** RAMP is an emerging approach to seeking comprehensive conservation benefits and avoiding temporal loss that is still under development. This project would serve as a model for other major regions of the state and country seeking to address these impacts in an integrated way.
13. **Readiness:** TNC and MTC have demonstrated that they will be able to conduct the proposed project in a timely manner. Both organizations have staff experienced with carrying out their respective roles.
14. **Realization of prior Conservancy goals:** See "Project History" section above.
16. **Cooperation:** The project is an explicit collaboration between state, regional and local governments, as well as non-profit conservation entities working jointly towards realizing the conservation and development goals of Plan Bay Area.
17. **Vulnerability from climate change impacts other than sea level rise:** The project will develop priorities using regional planning tools, such as the Conservation Lands Network, that are factoring the effects of climate change on the region's natural resources, and will attempt to develop mitigation solutions that are the most adaptive possible given the level of scientific knowledge now available to the region.

COMPLIANCE WITH CEQA: As a planning activity for possible future actions that have not been approved, adopted, or funded, this project is exempt from California Environmental Quality Act (CEQA) review under 14 California Code of Regulations Section 15262. Similarly, the project is exempt from CEQA review under Section 15306, which exempts basic data collection, research, and resource evaluation activities which do not result in a serious or major disturbance to an environmental resource.

Upon Conservancy approval of the proposed project, staff will file a Notice of Exemption.