

## *Memorandum*

From: Sam Schuchat, Executive Officer

To: Coastal Conservancy Board

RE: San Francisco Bay Restoration Authority

Date: May 24, 2018

The purpose of this memo is to update the Coastal Conservancy Board regarding the work of the San Francisco Restoration Authority (SFBRA), which is staffed by the Coastal Conservancy (SCC) and the Association of Bay Area Governments (ABAG). Attached to this memo are:

- 1) [A one-page document listing the first round of grants made by the SFBRA.](#)
- 2) [A draft of the budget for the SFBRA for FY 18/19.](#)
- 3) [A proposal regarding permitting that will come to the SFBRA at its June 2018 meeting.](#)

In June of 2016 just over 70% of Bay Area voters voted “Yes” on Regional Measure AA to tax themselves at the rate of \$12/parcel for the restoration of San Francisco Bay. This amounts to about \$25 million per year available to the SFBRA to make grants for restoration, as well as pay its administrative costs.<sup>1</sup> After the measure passed the Coastal Conservancy and ABAG entered into a Joint Powers Agreement (JPA) with the SFBRA to provide staffing services. The Executive Officer of the SCC is also the EO of the SFBRA, and the JPA spells out the division of duties between the SCC and ABAG. The attached budget (second attachment) shows this division of labor between SCC and ABAG, as well as what both agencies expect to bill to the SFBRA in FY 18/19.

Since the passage of Measure AA and the execution of the JPA the SFBRA has:

- 1) Negotiated agreements with all nine Bay Area counties for the collection of the tax.

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<sup>1</sup> Administrative costs for the SFBRA are capped at 5% per the language of Measure AA.

- 2) Reconstituted the Advisory Committee for the SFBRA; it has over 30 people and meets roughly 4 times per year.
- 3) Set up bank accounts and an accounting system at ABAG for handling the tax revenues, as well as procedures for the SCC to administer grants and get invoices paid by ABAG.
- 4) Solicited the first round of projects via an RFP, and selected nine projects out of 22 submitted totaling just over \$23 million. (first attachment)
- 5) Conducted annual audits of the SFBRA.
- 6) Begun the process of repaying various debts incurred in the process of drafting Measure AA and getting it placed on the ballot in all nine counties.

This is of course only a partial list of SFBRA activities since June of 2016.

Within the community of restoration practitioners it is fairly well known that the process of getting permits for restoration projects in and along SF Bay is onerous, time consuming, and expensive. There are many reasons for this, including multiple conflicting laws and policies at the state and federal agencies involved, understaffing at the regulatory agencies, the fact that permits are currently considered by one regulator at a time, the difficulty of determining when a permit application is deemed “complete”, different degrees of tolerance for risk and uncertainty at different regulatory agencies, lack of communication between regulators, the imposition of mitigation requirements for restoration projects, and so on.

Measure AA will generate \$500 million dollars for restoration projects in SF Bay over the next 20 years. This will most likely have the effect of increasing the burden on regulators to get permits issued, since the pace of project development should speed up. At the same time, the Baylands Ecosystem Habitat Goals Update (BEHGU 2015) established a consensus within the scientific community that time is not on our side. The pace of sea level rise is expected to increase, and the window for restoring wetlands in SF Bay is expected to close sometime soon after 2030. Anything we can do to speed up the pace of the permitting process would be all to the good in this context.

At the next meeting of the SFBRA (June 1, 2018) staff expects to bring a proposal to the Board regarding speeding up permitting restoration projects in SF Bay. An outline of the proposal is attached to this memorandum

(third attachment). In essence, we propose to pay six different regulatory agencies<sup>2</sup> to:

- 1) Hire full time staff (~1 each) at an agreed upon civil service level to work on permitting projects that are eligible for Measure AA funding, as well as address policy issues that reduce flexibility in permitting of restoration projects.
- 2) Agree to be bound by performance standards in the processing of permits, as well as in the work leading up to submitting an application.
- 3) Agree to have all 6 staff people “sit together” in the same place in San Francisco at least half of the time so that permits can be worked on “in parallel” and issues between regulators worked out face to face.
- 4) Agree to elevate difficult policy issues to the appropriate level in their own agencies for speedy resolutions.<sup>3</sup>

The SFBRA board has discussed this proposal in draft form once already, and has indicated a desire to not be the only funder of the estimated \$1.25 million initial annual cost. Accordingly, staff has started discussions with several other entities in the Bay Area that have extensive portfolios of planned restoration projects. If Proposition 68 passes in June of this year, SCC staff intend to propose to the Coastal Conservancy Board that SCC fund this effort at approximately \$200,000/year for five years.

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<sup>2</sup> US Fish and Wildlife Service, CA State Fish and Wildlife, the National Oceanic and Atmospheric Administration, US Army Corps of Engineers, BCDC, and the Regional Water Quality Control Board

<sup>3</sup> In general the idea of paying regulators for faster permit processing is neither new nor unusual. The SCC paid BCDC and the RWQCB to timely approve the Programmatic EIR/EIS for the South Bay Salt Pond Project; Caltrans pays for a full time person at BCDC to process its permits, and so on.