



# Governing Board

## MEETING AGENDA

Wednesday, June 24, 2015  
1:00 p.m. to 3:00 p.m.

Meeting Location:  
California State Coastal Conservancy  
1330 Broadway, 11<sup>th</sup> Floor Conference Room  
Oakland, California 94612

Public Conference Call:  
Call-in Number: (877) 336-1831  
Participant Code: 226167

For additional information, please contact:  
Clerk of the Governing Board, (510) 464-7900

Agenda and attachments available at:  
[www.sfbayrestore.org](http://www.sfbayrestore.org)

The Governing Board may take action on any item on this agenda.

**1. Call to Order**

Chair Ted Lempert will call the meeting to order.

**2. Roll Call**

**3. Public Comments**

*Information*

**4. Announcements**

*Information*

**5. Approval of Summary Minutes of April 22, 2015**

*Action*

*Attachment: Summary Minutes for April 22, 2015*

**6. Chair's Report**

*Information*

Lempert

**A. Report on Governing Board Appointment**

*Attachment: Pierce letter dated June 11, 2015*

**7. Report on Interim Treasurer Appointment**

*Action*

Kenneth Moy, Legal Counsel, Association of Bay Area Governments

*Attachment: Rapport letter dated June 4, 2015; Financial Report*

**8. Report on Outreach and Funding**

*Information*

Ted Lempert, Chair; and Paul Kumar, Save The Bay

**9. Legislation Update**

*Information*

Sam Schuchat, Executive Officer, California State Coastal Conservancy

*Attachment: AB 746*

**10. Report on Options for Ballot Measure: Revenue-Raising Mechanisms and Date of Election**

*Action*

Schuchat

*Attachment: Schuchat memo dated June 17, 2015; Recommendations Ballot Measure Tables*

**11. Report on Funding for Pre-Election Consultant Costs**

*Information*

Dave Pine, Supervisor, County of San Mateo

*Attachment: Suggested Contacts*

**12. Adjournment**

Next meeting is on Monday, September 21, 2015, 1:00 p.m. to 3:00 p.m.

Agenda submitted by the Clerk of the Governing Board:  
June 17, 2015

Agenda posted:  
June 18, 2015

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# Governing Board

## SUMMARY MINUTES (DRAFT)

Wednesday, April 22, 2015

1:00 p.m. to 3:00 p.m.

Meeting Location:

1330 Broadway, 11<sup>th</sup> Floor Conference Room  
Oakland, California

For additional information, please contact:  
Clerk of the Governing Board, (510) 464 7900

Agenda and attachments available at:  
[www.sfbayrestore.org](http://www.sfbayrestore.org)

### 1. Call to Order

Ted Lempert, Chair, called the meeting to order at about 1:03 p.m.

### 2. Roll Call

Fred Castro, Clerk of the Governing Board, reported that five (5) members were present. A quorum of the Governing Board was present.

Present were Keith Caldwell, Rosanne Foust, Ted Lempert, Dave Pine, John Sutter.

Absent was John Gioia.

Present were Kenneth Moy (ABAG); Judy Kelly (San Francisco Estuary Partnership); Sam Schuchat (California State Coastal Conservancy).

[Cindy Chavez, Supervisor, County of Santa Clara, resigned from the Governing Board effective April 15, 2015.]

### 3. Public Comments

There was no public comment.

### 4. Announcements

Pine announced that the Bay Area Council released a report, *Surviving the Storm*.

Sutter reported that the East Bay Regional Park District will likely place a ballot measure affecting the Oakland and Richmond districts in 2016, and the Hayward Recreation Park District will also have a ballot measure.

There were no other announcements.

**5. Approval of Summary Minutes of February 25, 2015**

Lempert recognized a motion by Foust and a second by Caldwell to approve the summary minutes of the Governing Board meeting on February 25, 2015. There was no discussion. The motion passed with five (5) aye votes.

Ayes: Caldwell, Foust, Lempert, Pine, Sutter.

Nays: None.

Abstentions: None.

Absent: Gioia.

**6. Chair's Report**

There was no Chair's report.

**7. Report on Polling Results**

Paul Kumar, Save The Bay, reported on results of polling conducted in April by FM3 and Public Opinion Strategy.

Members discussed a parcel tax option passing without a campaign; voter turnout in primary and general elections; likely support and opposition; voter turnout and support for local measures; primary versus general elections; Santa Clara County environmental measures; electoral advantages and disadvantages for bond measures; election expenses; a possible state park bond for the November ballot.

**8. Report on Current Options for Revenue-Raising Mechanisms**

Sam Schuchat, Executive Officer, California State Coastal Conservancy, reported on current options for revenue-raising mechanisms, including parcel tax and general obligation bonds.

Members discussed potential opposition to bonds; identifying parcel owners likely to be affected by a general obligation bond; outreach and education; updating the expenditure plan; potential revenues from a parcel tax and general obligation bond; examples of projects list; paying for administrative costs.

**9. Report on Options for Funding Pre-Election Administrative Costs**

**a. ABAG Member Contributions**

Kenneth Moy, Legal Counsel, Association of Bay Area Governments, reported that the ABAG Finance and Personnel Committee received a report on a proposal for support of the San Francisco Bay Restoration Authority from ABAG members and that the report was tabled.

**b. Membership Option**

Pine reported on the proposal for soliciting support for the San Francisco Bay Restoration Authority from cities and counties and special districts in the Bay Area.

Members discussed developing a letter and fact sheet and a list of potential supporters.

Staff will develop a fact sheet and list of potential supporters.

**10. Legislation Update**

Schuchat reported on the status of AB 746 (Ting) which is being heard by the Assembly Local Government Committee.

**11. Report on Schedule Leading to a Possible June 2016 Ballot Measure**

Schuchat reported on the draft schedule of tasks, Governing Board decisions, and deadlines for the June 2106 election, including decisions at the Governing Board meeting in June regarding a parcel tax or general obligation bond measure for either the June or November ballot in 2016; the adoption of resolutions in early 2016; outreach to stakeholders; registrar ballot, tracking poll, and bond counsel costs; scheduling additional Governing Board meetings in 2015.

Members discussed ballot costs; stakeholder and fundraising outreach; polling results supporting parcel tax; potential opposition and support for either a parcel tax or general obligation bond measure; placing a measure in the June or November ballot; updating the fact sheet.

**12. Adjournment**

Lempert adjourned the Governing Board meeting at about 2:30 p.m.

Next meeting is on Wednesday, June 24, 2015, 1:00 p.m. to 3:00 p.m.

Submitted by the Clerk of the Governing Board:  
June 5, 2015

Approved by the Governing Board:  
TBD

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# ASSOCIATION OF BAY AREA GOVERNMENTS

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Representing City and County Governments of the San Francisco Bay Area



ABAG

June 11, 2015

Patricia Showalter  
Councilmember  
City of Mountain View  
2711 Levin Court  
Mountain View, CA 94040

Dear Councilmember Showalter:

I am pleased to appoint you as a member of the Governing Board of the **San Francisco Bay Restoration Authority**, for the **Bayside Cities/Counties** seat, effective immediately. This appointment ends **March 20, 2017**.

I appreciate your willingness to serve and am confident that the **San Francisco Bay Restoration Authority** will benefit from your participation.

The San Francisco Bay Restoration Authority was established by enactment of AB 2954 (Lieber) in 2008 as a new regional government agency charged with raising and allocating resources for the restoration, enhancement, protection, and enjoyment of wetlands and wildlife habitat in the San Francisco Bay and along its shoreline.

Enclosed are the legislation establishing the San Francisco Bay Restoration Authority and the list of Governing Board members.

For additional information, please contact Governing Board Chair Ted Lempert, President, Children Now, (510) 763 2444 or [tlempert@childrennow.org](mailto:tlempert@childrennow.org); or Judy Kelly, Director, San Francisco Estuary Partnership, (510) 622 8137 or [judy.kelly@waterboards.ca.gov](mailto:judy.kelly@waterboards.ca.gov).

Sincerely yours,

Julie Pierce  
ABAG President  
Councilmember, City of Clayton



Patricia Showalter

June 11, 2015

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Cc Ted Lempert  
Judy Kelly  
Kenneth Moy

Enclosures:

AB 2954

Governing Board Members

# ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area

VIA EMAIL



June 4, 2015

Ted Lempert  
Chair, Governing Board  
San Francisco Bay Restoration Authority  
tlempert@childrennow.org

Re: San Francisco Bay Restoration Authority—Treasurer

Dear Mr. Lempert:

The Association of Bay Area Governments (ABAG) is the agency responsible for appointing the Governing Board of the San Francisco Bay Restoration Authority (Authority). ABAG's programs include the San Francisco Estuary Project and the San Francisco Bay Trail. The Authority and ABAG have overlapping and compatible goals for enhancing the natural resources of the San Francisco Bay and providing public access and recreational opportunities along the Bay.

By letter dated April 20, 2009, ABAG offered to make certain members of its staff available on an as needed basis to support the work of the Governing Board and the Authority (attached). The Authority accepted this offer, including the appointment of ABAG's Finance Director to the position of the Authority's Treasurer. Please be advised that ABAG has recently appointed Charlie Adams as its Interim Finance Director (see attached for background on Mr. Adams). ABAG hereby offers the services of Mr. Adams to serve as the Authority's Treasurer. I will assume the Authority's acceptance of this offer on the same terms as set forth in the April 20, 2009 letter unless I hear otherwise from you.

Sincerely,

A handwritten signature in black ink, appearing to read "Ezra Rapport", is written over a light blue horizontal line.

Ezra Rapport  
Executive Director

Cc: Charles Adams

**Attachments:**

Gardner letter dated April 20, 2009

Staff memo dated April 16, 2015





April 20, 2009

Governing Board Member (name)  
c/o Association of Bay Area Government  
101 8<sup>th</sup> Street  
Oakland, CA 94607

Re: San Francisco Bay Restoration Authority

Dear Board Members:

The Association of Bay Area Governments (ABAG) is the agency responsible for appointing the Governing Board of the San Francisco Bay Restoration Authority (Authority). ABAG's programs include the San Francisco Estuary Project and the San Francisco Bay Trail. The Authority and ABAG have overlapping and compatible goals for enhancing the natural resources of the San Francisco Bay and providing public access and recreational opportunities along the Bay.

At this time, the Authority has neither funds nor staff. ABAG will make its staff available on an as needed basis to support the work of the Governing Board. ABAG agrees to the appointment of its Executive Director, Legal Counsel, Finance Director and Clerk of its Executive Board to the positions of the Authority's Director, Legal Counsel, Treasurer and Clerk to the Governing Board, respectively. In the event that ABAG needs to withdraw this offer, it will provide the Authority with prior notice so as to avoid disruption to the Authority's work.

ABAG may seek reimbursement for the cost of providing interim staff to the Authority from the proceeds of any financings undertaken for restoration projects.

ABAG looks forward to the Authority's success.

Sincerely,

Original signed by Henry Gardner

Henry L. Gardner  
Executive Director

**DATE:** April 16, 2015  
**TO:** Finance & Personnel Committee  
**FROM:** Ezra Rapport, Executive Director  
**SUBJECT:** Appointment of Interim Finance Director Charles Adams

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I am pleased to announce the appointment of Charles Adams as ABAG's Interim Finance Director. Mr. Adams will be acting in this role while Herbert Pike, ABAG's Finance Director, is on medical leave. Mr. Pike has made himself available to assist Mr. Adams with his duties.

Mr. Adams brings a wealth of experience and knowledge to ABAG. Mr. Adams holds a BS Degree in Accounting from the University of Utah and an MBA Degree from Washington University, St. Louis. He is a Certified Public Accountant (CPA) and a Certified Management Accountant (CMA). His professional career has included two year service as a US Army Officer, auditor with PriceWaterhouse, CPAs, Managing Partner of Adams, Grant, White & Co. CPAs, Chief Financial Officer of the Oakland – Alameda County Coliseum and Director of Finance and Administrative Services of the City of Albany.

Mr. Adams has been serving public and nonprofit organizations for over 45 years. During his CPA career, Mr. Adams served as an audit partner on numerous governmental and nonprofit agencies, including the City of Berkeley, Alameda County Transportation Authority, MTC, BART, Peralta Community College District, Oakland Unified School District, Oakland-Alameda County Coliseum, AC Transit, and the Regional Center of the East Bay. As the Chief Financial Officer of the Oakland-Alameda County Coliseum and the City of Albany, Mr. Adams coordinated the issuance of numerous bonds totaling over \$400 million. He is experienced in bond issuance and debt management.

Mr. Adams has extensive experience in financial reporting, operating and capital budget preparation and financial forecasts, cash and treasury management, debt management, grants management, contract management, and risk management. He oversaw critical accounting and administrative functions including accounts receivable, accounts payable, payroll, treasury, grant reporting, fixed assets, human resources, and information technology. He has great expertise in evaluating internal controls and developing comprehensive policies and procedures.

Throughout his career, Mr. Adams has held leadership positions in many professional and civic organizations, including Board of Directors of the East Bay Chapter of the California CPA

**Item 4**

Society, President of the San Francisco Bay Area National Association of Black Accountants (NABA), National Treasurer of NABA, and President of the Oakland Rotary Club.

Mr. Adams will oversee the Finance Department's day-to-day operations and the MTC audit and forensic audit. He will coordinate preparation of ABAG's budget for FY 15-16. He will work with staff to evaluate current policies and procedures and implement additional best practices to enhance internal controls.

We are very fortunate to have Mr. Adams to assist us at this time. His extensive experience and background are great assets to ABAG. His strong knowledge in the audit, financial reporting, grants management, debt administration, and risk management areas will be beneficial to our grant funded programs and service programs. Please join us in welcoming Mr. Adams to ABAG.

**Item 4**

**SAN FRANCISCO BAY RESTORATION AUTHORITY  
STATEMENT OF NET POSITION  
MAY 31, 2015**

**ASSETS**

CASH IN BANK	<u>9,601</u>
TOTAL ASSETS	<u>9,601</u>

**LIABILITIES**

	<u>                    </u>
TOTAL LIABILITIES	<u>-</u>

**NET POSITION**

RESTRICTED	-
UNRESTRICTED	<u>9,601</u>
TOTAL NET POSITION	<u><u>9,601</u></u>

**SAN FRANCISCO BAY RESTORATION AUTHORITY  
STATEMENT OF ACTIVITIES  
FOR THE MONTH ENDED MAY 31, 2015**

**REVENUES**

INTEREST INCOME	<u>10</u>
TOTAL REVENUES	<u>10</u>

**EXPENSES**

TOTAL EXPENSES	<u>-</u>
CHANE IN NET POSITION	<u>10</u>
NET POSITION - BEGINNING	<u>9,591</u>
NET POSITION - ENDING	<u><u>9,601</u></u>

AMENDED IN SENATE JUNE 10, 2015

AMENDED IN ASSEMBLY MAY 14, 2015

AMENDED IN ASSEMBLY APRIL 14, 2015

AMENDED IN ASSEMBLY MARCH 26, 2015

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

**ASSEMBLY BILL**

**No. 746**

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**Introduced by Assembly Member Ting**  
**(Coauthor: Assembly Member Chiu)**  
(Coauthors: Senators Hancock, Hill, and Leno)

February 25, 2015

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An act to amend Sections ~~66702.5~~, 66703, 66704, 66704.05, and 66706 of the Government Code, relating to the San Francisco Bay Restoration Authority.

LEGISLATIVE COUNSEL'S DIGEST

AB 746, as amended, Ting. San Francisco Bay Restoration Authority.

(1) Existing law, the San Francisco Bay Restoration Authority Act, until January 1, 2029, establishes the San Francisco Bay Restoration Authority to raise and allocate resources for the restoration, enhancement, protection, and enjoyment of wetlands and wildlife habitat in the San Francisco Bay and along its shoreline. The act establishes a governing board of the authority composed of specified members, including a member who is a resident of the San Francisco Bay area *with expertise in the implementation of the San Francisco Bay Conservancy Program*, who serves as the chair. The act grants to the board all powers that are necessary to carry out the act, including, among other things, the power to levy specified benefit assessments, special

taxes, and property-related fees, and to issue revenue bonds and general obligation bonds. However, the act limits the total amount of *outstanding* indebtedness incurred pursuant to those provisions authorizing the issuance of general obligation bonds to 10% of the authority's total revenues in the preceding fiscal year. Existing law generally requires a district to reimburse the county elections official for the actual costs incurred in conducting an election for the district. However, the act authorizes, until January 1, 2017, the authority to reimburse only the incremental costs, as defined, that are incurred by the county elections official related to submitting a special tax measure to the voters.

This bill would delete the requirement that one member of the board, who serves as the chair, be a resident of the San Francisco Bay area *with expertise in the implementation of the San Francisco Bay Conservancy Program* and would instead require that member to be an elected official of a bayside city or ~~county~~ *county, or an elected member of a special district, with expertise in the implementation of the San Francisco Bay Conservancy Program*. The bill would also delete the limit on the authority's total amount of *outstanding* general obligation bonded indebtedness ~~based on prior fiscal year revenues~~ *and would, instead, prohibit the authority from having a total amount of outstanding bonded indebtedness that exceeds \$1,500,000,000. The bill would specify that the authority may incur general obligation bonded indebtedness for the acquisition or improvement of real property or for the funding or refunding of any outstanding bonded indebtedness incurred by the authority*. The bill would extend to January 1, 2019, the operation of the provision authorizing the authority to reimburse county elections officials for only the incremental costs of submitting a special tax measure to the voters, expanded to apply to other specified measures that would generate revenues for the authority. The bill would postpone to January 1, 2049, the repeal date for the act, and would make related conforming changes. By imposing additional duties on local government officials with regard to implementation of the act, the bill would impose a state-mandated local program.

The act specifies that the special taxes are to be levied, and submitted to the voters, consistent with specified provisions of the California Constitution relating to voter approval for local tax levies and property-related fees, charges, and assessments.

This bill would instead specify that measures that will generate revenues are to be submitted to the voters, consistent with those requirements of the California Constitution and the requirements of the

California Constitution relating to general obligation bond indebtedness and ad valorem taxes.

(2) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

*The people of the State of California do enact as follows:*

1 ~~SECTION 1. Section 66702.5 of the Government Code is~~  
2 ~~amended to read:~~

3 ~~66702.5. (a) It is the intent of the Legislature that the authority~~  
4 ~~should complement existing efforts by cities, counties, districts,~~  
5 ~~the San Francisco Bay Conservation and Development~~  
6 ~~Commission, the State Coastal Conservancy, and other local,~~  
7 ~~regional, and state entities, related to addressing the goals described~~  
8 ~~in this title.~~

9 ~~(b) It is further the intent of the Legislature to explicitly affirm~~  
10 ~~the San Francisco Bay Restoration Authority's authority to incur~~  
11 ~~general obligation bond indebtedness under paragraph (2) of~~  
12 ~~subdivision (b) of Section 1 of Article XIII A of the California~~  
13 ~~Constitution, and Article 11 (commencing with Section 5790) of~~  
14 ~~Chapter 4 of Division 5 of the Public Resources Code.~~

15 ~~SEC. 2.~~

16 *SECTION 1.* Section 66703 of the Government Code is  
17 amended to read:

18 66703. (a) The authority shall be governed by a board  
19 composed of seven voting members, as follows:

20 (1) One member shall be an elected official of a bayside city or  
21 county, *or an elected member of a special district*, with expertise  
22 in the implementation of Chapter 4.5 (commencing with Section  
23 31160) of Division 21 of the Public Resources Code and shall  
24 serve as the chair.

25 (2) One member shall be an elected official of a bayside city or  
26 county in the North Bay. For purposes of this subdivision, the  
27 North Bay consists of the Counties of Marin, Napa, Solano, and  
28 Sonoma.

1 (3) One member shall be an elected official of a bayside city or  
2 county in the East Bay. For purposes of this subdivision, the East  
3 Bay consists of Contra Costa County and the portion of Alameda  
4 County that is north of the southern boundary of the City of  
5 Hayward, excluding the Delta primary zone.

6 (4) One member shall be an elected official of a bayside city or  
7 county in the South Bay. For purposes of this subdivision, the  
8 South Bay consists of Santa Clara County, the portion of Alameda  
9 County that is south of the southern boundary of the City of  
10 Hayward, and the portion of San Mateo County that is south of  
11 the northern boundary of Redwood City.

12 (5) One member shall be an elected official of a bayside city or  
13 county in the West Bay. For purposes of this subdivision, the West  
14 Bay consists of the City and County of San Francisco and the  
15 portion of San Mateo County that is north of the northern boundary  
16 of Redwood City.

17 (6) Two members shall be elected officials of one or more of  
18 the following:

19 (A) A bayside city or county.

20 (B) A regional park district, regional open-space district, or  
21 regional park and open-space district formed pursuant to Article  
22 3 (commencing with Section 5500) of Chapter 3 of Division 5 of  
23 the Public Resources Code that owns or operates one or more San  
24 Francisco Bay shoreline parcels.

25 (b) The Association of Bay Area Governments shall appoint  
26 the members.

27 (c) Each member shall serve at the pleasure of his or her  
28 appointing authority.

29 (d) A vacancy shall be filled by the Association of Bay Area  
30 Governments within 90 days from the date on which the vacancy  
31 occurs.

32 ~~SEC. 3.~~

33 *SEC. 2.* Section 66704 of the Government Code is amended  
34 to read:

35 66704. The authority has, and may exercise, all powers,  
36 expressed or implied, that are necessary to carry out the intent and  
37 purposes of this title, including, but not limited to, the power to  
38 do all of the following:

39 (a) (1) Levy a benefit assessment, special tax levied pursuant  
40 to Article 3.5 (commencing with Section 50075) of Chapter 1 of

1 Part 1 of Division 1 of Title 5, or property-related fee consistent  
2 with the requirements of Articles XIII A, XIII C, and XIII D of the  
3 California Constitution, including, but not limited to, a benefit  
4 assessment levied pursuant to paragraph (2), except that a benefit  
5 assessment, special tax, or property-related fee shall not be levied  
6 pursuant to this subdivision after December 31, 2048.

7 (2) The authority may levy a benefit assessment pursuant to any  
8 of the following:

9 (A) The Improvement Act of 1911 (Division 7 (commencing  
10 with Section 5000) of the Streets and Highways Code).

11 (B) The Improvement Bond Act of 1915 (Division 10  
12 (commencing with Section 8500) of the Streets and Highways  
13 Code).

14 (C) The Municipal Improvement Act of 1913 (Division 12  
15 (commencing with Section 10000) of the Streets and Highways  
16 Code).

17 (D) The Landscaping and Lighting Act of 1972 (Part 2  
18 (commencing with Section 22500) of Division 15 of the Streets  
19 and Highways Code), notwithstanding Section 22501 of the Streets  
20 and Highways Code.

21 (E) Any other statutory authorization.

22 (b) Apply for and receive grants from federal and state agencies.

23 (c) Solicit and accept gifts, fees, grants, and allocations from  
24 public and private entities.

25 (d) Issue revenue bonds for any of the purposes authorized by  
26 this title pursuant to the Revenue Bond Law of 1941 (Chapter 6  
27 (commencing with Section 54300) of Part 1 of Division 2 of Title  
28 5).

29 (e) ~~Incur bond indebtedness, consistent with paragraph (2) of~~  
30 ~~subdivision (b) of Section 1 of Article XIII A of the California~~  
31 ~~Constitution, general obligation bonded indebtedness for the~~  
32 ~~acquisition or improvement of real property or for funding or~~  
33 ~~refunding of any outstanding indebtedness, subject to the following~~  
34 requirements:

35 (1) The principal and interest of any ~~bond~~ *general obligation*  
36 *bonded* indebtedness incurred pursuant to this subdivision shall  
37 be paid and discharged prior to January 1, 2049.

38 (2) For purposes of incurring ~~bond~~ *general obligation bonded*  
39 *indebtedness* pursuant to this subdivision, the authority shall  
40 comply with the requirements of Article 11 (commencing with

1 Section 5790) of Chapter 4 of Division 5 of the Public Resources  
2 Code. For purposes of this subdivision, all references in Article  
3 11 (commencing with Section 5790) of Chapter 4 of Division 5  
4 of the Public Resources Code to a board of directors shall mean  
5 the board and all references to a district shall mean the authority.

6 (3) *Notwithstanding any other law, the total amount of*  
7 *outstanding bonded indebtedness the authority may incur pursuant*  
8 *to this subdivision and subdivision (d) shall not exceed one billion*  
9 *five hundred million dollars (\$1,500,000,000).*

10 (f) Receive and manage a dedicated revenue source.

11 (g) Deposit or invest moneys of the authority in banks or  
12 financial institutions in the state in accordance with state law.

13 (h) Sue and be sued, except as otherwise provided by law, in  
14 all actions and proceedings, in all courts and tribunals of competent  
15 jurisdiction.

16 (i) Engage counsel and other professional services.

17 (j) Enter into and perform all necessary contracts.

18 (k) Enter into joint powers agreements pursuant to the Joint  
19 Exercise of Powers Act (Chapter 5 (commencing with Section  
20 6500) of Division 7 of Title 1).

21 (l) Hire staff, define their qualifications and duties, and provide  
22 a schedule of compensation for the performance of their duties.

23 (m) Use interim or temporary staff provided by appropriate state  
24 agencies or the Association of Bay Area Governments. A person  
25 who performs duties as interim or temporary staff shall not be  
26 considered an employee of the authority.

27 ~~SEC. 4.~~

28 *SEC. 3.* Section 66704.05 of the Government Code is amended  
29 to read:

30 66704.05. (a) If the authority proposes a measure pursuant to  
31 subdivision (a) or (e) of Section 66704 that will generate revenues,  
32 the board of supervisors of the county or counties in which the  
33 measure is proposed shall call a special election on the measure.  
34 The special election shall be consolidated with the next regularly  
35 scheduled statewide election and the measure shall be submitted  
36 to the voters in the appropriate counties, consistent with the  
37 requirements of Articles XIII A, XIII C, and XIII D of the California  
38 Constitution, as applicable.

39 (b) (1) The authority is a district, as defined in Section 317 of  
40 the Elections Code. Except as otherwise provided in this section,

1 a measure proposed by the authority that requires voter approval  
2 shall be submitted to the voters of the authority in accordance with  
3 the provisions of the Elections Code applicable to districts,  
4 including the provisions of Chapter 4 (commencing with Section  
5 9300) of Division 9 of the Elections Code.

6 (2) Because the authority has no ~~state~~ revenues as of the  
7 effective date of this paragraph, the appropriations limit for the  
8 authority shall be originally established based on receipts from the  
9 initial measure that would generate revenues for the authority  
10 pursuant to subdivision (a), and that establishment of an  
11 appropriations limit shall not be deemed a change in an  
12 appropriations limit for purposes of Section 4 of Article XIII B of  
13 the California Constitution.

14 (c) The authority shall file with the board of supervisors of each  
15 county in which the measure shall appear on the ballot a resolution  
16 of the authority requesting consolidation, and setting forth the  
17 exact form of the ballot question, in accordance with Section 10403  
18 of the Elections Code.

19 (d) The legal counsel for the authority shall prepare an impartial  
20 analysis of the measure. The impartial analysis prepared by the  
21 legal counsel for the authority shall be subject to review and  
22 revision by the county counsel of the county that contains the  
23 largest population, as determined by the most recent federal  
24 decennial census, among those counties in which the measure will  
25 be submitted to the voters.

26 (e) Each county included in the measure shall use the exact  
27 ballot question, impartial analysis, and ballot language provided  
28 by the authority. If two or more counties included in the measure  
29 are required to prepare a translation of ballot materials into the  
30 same language other than English, the county that contains the  
31 largest population, as determined by the most recent federal  
32 decennial census, among those counties that are required to prepare  
33 a translation of ballot materials into the same language other than  
34 English shall prepare the translation and that translation shall be  
35 used by the other county or counties, as applicable.

36 (f) Notwithstanding Section 13116 of the Elections Code, if a  
37 measure proposed by the authority pursuant to this article is  
38 submitted to the voters of the authority in two or more counties,  
39 the elections officials of those counties shall mutually agree to use  
40 the same letter designation for the measure.

1 (g) The county clerk of each county shall report the results of  
2 the special election to the authority.

3 (h) (1) Notwithstanding Section 10520 of the Elections Code,  
4 for the first election at which the authority proposes a measure  
5 pursuant to subdivision (a) or (e) of Section 66704 that would  
6 generate revenues, the authority shall reimburse each county in  
7 which that measure appears on the ballot only for the incremental  
8 costs incurred by the county elections official related to submitting  
9 the measure to the voters.

10 (2) For purposes of this subdivision, “incremental costs” include  
11 all of the following:

12 (A) The cost to prepare, review, and revise the impartial analysis  
13 of the measure that is required by subdivision (d).

14 (B) The cost to prepare a translation of ballot materials into a  
15 language other than English by any county, as described in  
16 subdivision (e).

17 (C) The additional costs that exceed the costs incurred for other  
18 election races or ballot measures, if any, appearing on the same  
19 ballot in each county in which the measure appears on the ballot,  
20 including both of the following:

21 (i) The printing and mailing of ballot materials.

22 (ii) The canvass of the vote regarding the measure pursuant to  
23 Division 15 of the Elections Code.

24 (3) This subdivision is repealed on January 1, 2019.

25 ~~SEC. 5.~~

26 *SEC. 4.* Section 66706 of the Government Code is amended  
27 to read:

28 66706. This title shall remain in effect only until January 1,  
29 2049, and as of that date is repealed, unless a later enacted statute,  
30 that is enacted before January 1, 2049, deletes or extends that date.

31 ~~SEC. 6.~~

32 *SEC. 5.* The Legislature finds and declares that the San  
33 Francisco Bay Restoration Authority has not assumed any existing  
34 duties from another local or state government entity and has  
35 received no state or local government revenues not counted toward  
36 another entity’s appropriations limit. Therefore, the authority has  
37 no associated appropriations limit pursuant to Article XIII B of the  
38 California Constitution as of the date of enactment of this bill.

39 *SEC. 6.* *The Legislature finds and declares that the changes*  
40 *made by this act to subdivision (e) of Section 66704 of the*

1 *Government Code explicitly affirm the authority of the Francisco*  
2 *Bay Restoration Authority to incur general obligation bonded*  
3 *indebtedness, so as to implement the Legislature's intent when the*  
4 *statute first became operative on January 1, 2009.*

5 SEC. 7. No reimbursement is required by this act pursuant to  
6 Section 6 of Article XIII B of the California Constitution because  
7 a local agency or school district has the authority to levy service  
8 charges, fees, or assessments sufficient to pay for the program or  
9 level of service mandated by this act, within the meaning of Section  
10 17556 of the Government Code.

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**San Francisco Bay  
Restoration Authority**

**MEMORANDUM**

**DATE:** June 17, 2015

**TO:** Governing Board  
San Francisco Bay Restoration Authority

**FROM:** Sam Schuchat  
Executive Officer  
State Coastal Conservancy

**SUBJECT:** Recommendations for Ballot Measure: Type of Revenue-Raising Measure,  
Date of Election, and Consultants

Attachment: Tables comparing features of a parcel tax measure with an *ad valorem* tax/general obligation bond measure

**Introduction**

This memo presents recommendations for the type of revenue-raising measure to place before voters, the preferred date of the election, and obtaining outside counsel and technical assistance. By making decisions now about the type of and target date for the ballot measure, Governing Board members, staff and community allies will be in a better position to communicate a specific proposal to stakeholders, obtain feedback, and assemble commitments to fund ballot costs over the next several months. Obtaining specialized outside counsel and technical advice will enable the Governing Board to be prepared to adopt election resolutions in early winter 2015-2016.

**Recommendation #1: That the Governing Board pursue a parcel tax measure.** The principal reasons that a parcel tax measure is preferable to a general obligation bond measure financed by ad valorem taxes are as follows:

- Greater voter support.
- Greater flexibility in the use of the funds, especially in allowing use of revenue for operation, maintenance and monitoring of Bay restoration projects and for administration of the Restoration Authority.
- Comparable revenue-generating capacity.
- The option exists for the Restoration Authority to issue revenue bonds on the basis of anticipated parcel tax receipts in order to finance accelerated restoration efforts in ways that would be comparable to the potential revenue stream benefits of issuing general obligation bonds.

Additional information is provided in the attached tables.

**Recommendation #2: That the Governing Board work toward placement of the revenue measure on June 2016 ballots.** The principal reasons that the June 2016 election is preferable to the November 2016 election are as follows:

- Less competition for the attention of voters.
- Less competition from other revenue measures.
- Deciding now to target the June 2016 election could yield revenue for Bay restoration sooner and would not preclude shifting to the November 2016 election if needed.

**Recommendation #3: That the Governing Board direct staff to retain qualified outside counsel and technical advisors.** In order to be fully informed about legal matters and technical issues related to the revenue measure and to ensure that the measure is properly crafted, the Governing Board needs to have its own qualified outside consultants, including counsel and financial advisors. Staff of the public agencies and community allies with which the Restoration Authority has been working closely does not have the necessary expertise.

**Table 1. Projections of Regional Revenue**

*Pending advice to the Restoration Authority from special outside counsel and other municipal finance professionals, the comparisons in Table 1 below may assist in evaluating the benefits and challenges of a parcel tax measure and a bond measure.*

	<b>\$12 Parcel Tax</b>	<b>\$18 Parcel Tax</b>	<b>\$500 million G.O. Bond</b>	<b>\$750 million G.O. Bond</b>
<b>Term</b>	20 year	20 year	30 year	30 year
<b>Regional Revenue</b>	\$500M	\$750M	\$500M	\$750M
<b>Annual Tax</b>	\$12 per parcel	\$18 per parcel	\$3.22 per \$100K of assessed value	\$4.83 per \$100K of assessed value

Table 1 Notes:

- a. General obligation bonds would need to mature prior to the sunset date of the Restoration Authority, and the proceeds of each bond issue would need to be spent within three years. Thus, if the sunset date of the Restoration Authority becomes January 1, 2049 as proposed in AB 746, any 30-year bonds would need to be sold by January 1, 2019 and the proceeds spent by December 2021. Shorter-term bonds could be issued later—for example, 20 year bonds could be sold as late as January 1, 2029 with proceeds required to be spent by December 2033--but *ad valorem* tax rates for shorter term G.O. bonds would be higher than for 30-year G.O. bonds.
- b. In the parcel tax measure, the Restoration Authority could reserve the option to issue special revenue bonds in order to help accelerate work on large projects ready for construction early in the life of the measure. Special revenue bonds would be subject to similar to those for G.O. bonds. The assistance of outside financial advice would be needed to help structure any issuance of special revenue bonds.
- c. All “Regional Revenue” figures in Table 1 are based on 2015 NBS estimates of the total number of taxable parcels throughout the nine-county Bay Area and their total assessed value, as derived from county assessors’ data. These figures were provided to the Restoration Authority by Save The Bay.
- d. *Ad valorem* taxes associated with potential 30-year bond measures are based additionally upon current interest rates for public agencies with average bond ratings.

See Table 2 on next page.

**Table 2. Further Comparison of Parcel Tax Measure and G.O. Bond Measure**

*Pending advice to the Restoration Authority from special outside counsel and other municipal finance professionals, the comparisons in Table 2 below may assist in evaluating the benefits and challenges of a parcel tax measure and a bond measure.*

<b>Issue</b>	<b>Parcel Tax Measure</b>	<b>G.O. Bond Measure</b>
Total funding generated	\$500m - \$750m plus earnings, minus county administrative costs; if special revenue bonds are sold, additional costs and restrictions would apply.	\$500m - \$750m, minus county and bond-administration costs.
Higher taxes for higher-value parcels?	Limited latitude for imposing higher taxes on higher-value property.	Yes
Schedule for availability of funding following passage of June 2016 revenue measure	At \$12/parcel: ~\$25.2m per year for 20 years beginning in FY 2017 (total \$500m); if special revenue bonds are sold, additional funding would be assembled in bond-sale years. <sup>a</sup>	Bond funds available beginning FY 2017. Amounts available annually depend upon size of bond issues. <sup>b, c</sup>
Schedule for disbursement of funds	As needed for Bay restoration. If special revenue bonds are sold: To maintain tax exempt status of bonds, must spend 85% of amount of proceeds within 3 years of given bond sale.	To maintain tax exempt status of bonds, must spend 85% of amount of proceeds within 3 years of given bond sale.
Eligible uses of funds	Acquisition and improvement of real property; operation, maintenance and monitoring; Restoration Authority administration.	Acquisition and improvement of real property; significant deferred maintenance of qualified improvements; bond-related costs.
Need additional source of funding for Restoration Authority administration?	No	Yes <sup>d</sup>
Need amendment of enabling legislation per AB 746?	Yes: For extension of Restoration Authority sunset to 2037 to enable collecting 20 years of parcel tax receipts or for extension of Restoration Authority sunset to 2049 to enable issuance of 30-year bonds until 2019, with shorter-term bonds thereafter. <sup>e</sup>	Yes: For authority to issue G.O. bonds, to ease limit on amount of bonding authority, and for extension of SFBRA sunset to 2049 to enable issuance of 30-year bonds until 2019, with shorter-term bonds thereafter. <sup>e</sup>
Need to update Draft Expenditure Plan?	Yes: Update associated list and map of potentially eligible projects to reflect completion of some projects and addition of others; additional revisions needed if and when bonds to be sold.	Yes: Revise to comport with G.O. bond measure provisions, eliminate ineligible activities, and update associated list and map of potentially eligible projects to reflect completion of some projects and addition of others.

Table 2 Notes: See next page

Table 2 Notes:

- a. Assumes that 2016-17 property tax bills reflect parcel tax measure.
- b. Assumes that 2016-17 property tax bills reflect G.O. bond measure.
- c. Interval between passage of measure and first G.O. bond sale is based upon the experience and projected schedule of the Midpeninsula Open Space District for its first bond sale following June 2014 passage of its Measure AA.
- d. The advice of bond professionals will be needed to determine the types of Restoration Authority administrative costs that would be eligible for payment from the proceeds of Restoration Authority G.O. bond sales. Informal consultation to-date strongly indicates that an additional source of funding would be needed for RA support other than bond administration.
- e. If AB 647 is enacted with the necessary provisions and signed by the Governor by October 2015, then the Restoration Authority will be in a position to adopt either parcel tax or bond measure resolutions in time to qualify for the June 2016 ballot.

## Suggested Contacts for Restoration Authority Membership

Organization	Contact	Who Makes the Ask	Notes
<b>Counties</b>			
Alameda			
Contra Costa	Sup. Gioia		
Marin	Steve Kinsey	Sam S.	
Napa	Sup. Caldwell		
San Francisco			
San Francisco Public Utilities Commission	Steve Ritchie		
San Mateo	Sup. Pine		
Santa Clara	Sup. Chavez		
Solano	NA		
Sonoma	Sue Gorman (via Judy)		
Sonoma County Water Agency	Grant Davis	Sam S.	
<b>Cities</b>			
Berkeley	Tom Bates		
City of San Jose, Environmental Services Dept.			
City of Sunnyvale	Melody Tovar		
Menlo Park			
Mountain View	Vice-Mayor Pat Showalter		
Redwood City	Vice-Mayor Foust		
Richmond	Richard Mitchell		
San Jose	Kerrie Romanow		
<b>Ports</b>			
Port of Oakland	Richard Sinkoff		Ask Jim McGrath for best contact
Port of Redwood City	Michael Giari		
Port of San Francisco	Monique Moyer		
<b>Special Districts</b>			
Bay-Friendly Landscaping & Gardening - StopWaste.org	Gary Woolfe		
Central Contra Costa Sanitary District			
Contra Costa County Flood Control District	Mark Boucher/Mitch Avalon		
Contra Costa Water District	Roger Bailey		
East Bay Municipal Utilities District	Mike Carlson		

East Bay Municipal Utility District  
East Bay Regional Parks District  
Hayward Area Recreation District  
Marin Municipal Water District  
Santa Clara County Open Space Authority  
Santa Clara Valley Water District  
Solano County Water Agency  
Sonoma County Ag Preservation and Open Space District  
Zone 7 Water Agency - Co. of Alameda

Alexander Coate  
Robert Doyle  
  
Cynthia Koehler (via Sam)  
Andrea MacKenzie  
Beau Goldie  
David Okita  
Bill Keene  
Jill Duerig

**State Agencies + SFEP + FedGov**

CA State Coastal Conservancy  
NOAA Restoration Center  
Regional Water Quality Control Board  
San Francisco Bay NERR  
San Francisco Estuary Partnership  
SF Bay Conservation & Development Commission  
US Army Corps of Engineers  
US Bureau of Reclamation  
US Fish & Wildlife

Amy Hutzel  
Patrick Rutten  
Bruce Wolfe Sam. S  
Mike Vasey  
Judy Kelley  
Larry Goldzband  
Bill Brostoff  
  
John Klochak

**NGOs/Associations**

Bay Area Clean Water Agencies  
Bay Area Council  
Bay Area Flood Protection Agencies Association  
Bay Area Stormwater Management Agencies Association  
Bay Area Water Agencies Coalition  
Bay Institute, The  
Bay Planning Coalition  
Citizens Committee to Complete the Refuge  
Ducks Unlimited  
East Bay Dischargers Association  
Friends of the San Francisco Estuary  
National Fish & Wildlife Foundation  
Natural Resources Defense Council  
North Bay Watershed Association  
Point Blue Conservation Science  
San Francisco Estuary Institute

David Williams  
Jim Wunderman  
Mark Boucher/Carl Morrison  
Geoff Brousseau  
  
John Frawley  
John Coleman  
Florence LaRiviere  
Anne Hansen  
Mike Connor  
  
Barbara Salzman  
Claire Thorp  
Kate Poole  
Harry Seraydarian  
Ellie Cohen  
Warner Chabot

San Francisco Bay Joint Venture  
San Mateo County Economic Development Association  
Save The Bay  
Silicon Valley Leadership Group  
Sonoma Land Trust  
TNC  
Western State Petroleum Association

Beth Huning  
Roseanne Foust  
David Lewis  
Carl Guardino  
Wendy Eliot  
Brian Stranko  
Catherine Reheis-Boyd

**Businesses**

Arcadis  
Cargill  
Chevron  
Ecorp Consulting  
H. T. Harvey & Associates  
AECOM (merged with URS)

Peter Wijsman  
Pat Mapelli/Barbara Ransom  
Walton Gill  
Jim Stewart  
Ron Duke  
Louis Armstrong