

STATE OF CALIFORNIA  
**Budget Change Proposal - Cover Sheet**  
 DF-46 (REV 08/15)

|  |                       |  |                     |
|--|-----------------------|--|---------------------|
| Fiscal Year<br>16/17   | Business Unit<br>3820 | Department<br>San Francisco Bay Conservation and Development Commission (BCDC) | Priority No.<br>One |
| Budget Request Name<br>BCDC Co-location to Regional Agency Headquarters Building |                       | Program  | Subprogram          |

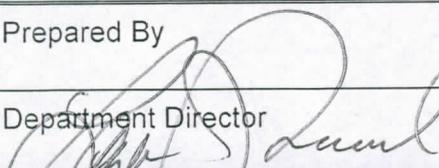
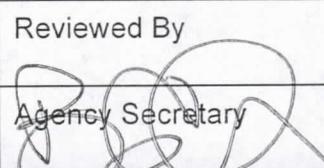
Budget Request Description  
 BCDC Co-location

Budget Request Summary

San Francisco Bay Conservation and Development Commission (BCDC) requests a Spring Finance Letter for funds to relocate BCDC offices into the Metropolitan Transportation Commission's (MTC) new Regional Agency Headquarters Building in San Francisco at 375 Beale Street. This request requires a one-time augmentation of \$350,000 from the General Fund (GF) to provide funding for costs associated with BCDC's relocation to 375 Beale. BCDC does not have available funds for this co-location project, and is statutorily required to be located in San Francisco.

|   |  |      |
|---|--|------|
| Requires Legislation<br><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No   | Code Section(s) to be Added/Amended/Repealed |      |
| Does this BCP contain information technology (IT) components? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No<br><i>If yes, departmental Chief Information Officer must sign.</i>   | Department CIO                               | Date |
| For IT requests, specify the date a Special Project Report (SPR) or Feasibility Study Report (FSR) was approved by the Department of Technology, or previously by the Department of Finance.<br><input type="checkbox"/> FSR <input type="checkbox"/> SPR      Project No.      Date: |  |      |

If proposal affects another department, does other department concur with proposal?       Yes (DOJ)      No  
*Attach comments of affected department, signed and dated by the department director or designee.*

|   |                 |   |                 |
|---|-----------------|---|-----------------|
| Prepared By<br> | Date<br>5/11/16 | Reviewed By<br> | Date<br>5/12/16 |
| Department Director   | Date            | Agency Secretary  | Date            |

**Department of Finance Use Only**

Additional Review:  Capital Outlay     ITCU     FSCU     OSAE     CALSTARS     Dept. of Technology

BCP Type:       Policy       Workload Budget per Government Code 13308.05

PPBA      Original Signed by Amanda Martin      Date submitted to the Legislature 5/13/16

## BCP Fiscal Detail Sheet

BCP Title: BCDC Co-location to Regional Agency Hdqtr.

DP Name: 3820-001-BCP-DP-2016-MR

### Budget Request Summary

|  | CY         | BY           | FY16<br>BY+1 | BY+2       | BY+3       | BY+4       |
|--|------------|--------------|--------------|------------|------------|------------|
| Operating Expenses and Equipment                                   |            |              |              |            |            |            |
| 5301 - General Expense   | 0          | 45           | 0            | 0          | 0          | 0          |
| 5304 - Communications  | 0          | 10           | 0            | 0          | 0          | 0          |
| 5340 - Consulting and Professional Services -<br>Interdepartmental | 0          | 60           | 0            | 0          | 0          | 0          |
| 5340 - Consulting and Professional Services -<br>External          | 0          | 30           | 0            | 0          | 0          | 0          |
| 5346 - Information Technology                                      | 0          | 15           | 0            | 0          | 0          | 0          |
| 5368 - Non-Capital Asset Purchases -<br>Equipment                  | 0          | 150          | 0            | 0          | 0          | 0          |
| 539X - Other   | 0          | 40           | 0            | 0          | 0          | 0          |
| <b>Total Operating Expenses and Equipment</b>                      | <b>\$0</b> | <b>\$350</b> | <b>\$0</b>   | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> |
| <b>Total Budget Request</b>  | <b>\$0</b> | <b>\$350</b> | <b>\$0</b>   | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> |
| <b>Fund Summary</b>  |            |              |              |            |            |            |
| Fund Source - State Operations                                     |            |              |              |            |            |            |
| 0001 - General Fund  | 0          | 350          | 0            | 0          | 0          | 0          |
| <b>Total State Operations Expenditures</b>                         | <b>\$0</b> | <b>\$350</b> | <b>\$0</b>   | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> |
| <b>Total All Funds</b>   | <b>\$0</b> | <b>\$350</b> | <b>\$0</b>   | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> |
| <b>Program Summary</b>   |            |              |              |            |            |            |
| Program Funding  |            |              |              |            |            |            |
| 2980 - Bay Conservation and Development                            | 0          | 350          | 0            | 0          | 0          | 0          |
| <b>Total All Programs</b>  | <b>\$0</b> | <b>\$350</b> | <b>\$0</b>   | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> |

## Analysis of Problem

### A. Budget Request Summary

See Page 1, Budget Request Summary

### B. Background/History (*Provide **relevant** background/history and provide program resource history. Provide workload metrics, if applicable.*)

The San Francisco Bay is a State-protected resource. BCDC was created in 1965 and is the Nation's first coastal zone management agency. BCDC was charged to comprehensively manage the conservation and development of San Francisco Bay and its shoreline, and to protect and preserve the Suisun Marsh. The Commission carries out this responsibility under the provisions of the McAteer-Petris Act (California Government Code 66600 *et seq*) (MPA), the policies of the San Francisco Bay Plan (Bay Plan), the Suisun Marsh Preservation Act (California Public Resources Code Section 29000 *et seq*) (SMPA), the Suisun Marsh Protection Plan (Marsh Plan), and the Suisun Marsh Local Protection Program. BCDC has regulatory and planning authority to conserve and develop Bay resources both in the Bay and up to 100 feet inland. State law (McAteer-Petris Act, 1965) requires BCDC to determine whether locally approved development projects within its jurisdiction comply with State laws and policies that protect the Bay. The McAteer-Petris Act also mandates that BCDC's headquarters be located in San Francisco.

State law further requires the Commission to ensure that the Bay Plan reflects the latest scientific research on the Bay and addresses emerging issues. As such, the Commission amended the Bay Plan in 2011 to address climate change and rising sea level. It included a policy exhorting the region to "formulate a regional sea level rise adaptation strategy for protecting critical developed shoreline areas and natural ecosystems, enhancing the resilience of Bay and shoreline systems and increasing their adaptive capacity." The policy recommends, in part, that: "...the strategy incorporate an adaptive management approach... be consistent with the goals of SB 375 and the principles of the California Climate Adaptation Strategy... be updated regularly to reflect changing conditions and scientific information and include maps of shoreline areas that are vulnerable to flooding based on projections of future sea level rise and shoreline flooding... particular attention be given to identifying and encouraging the development of long-term regional flood protection strategies..." and "[I]deally, the regional strategy will determine where and how existing development should be protected and infill development encouraged, where new development should be permitted, and where existing development should eventually be removed to allow the Bay to migrate inland."

BCDC (AB 2094, 2008) is the State agency responsible for leading the development of Bay Area preparedness for, and resilience to, rising sea level and storm surge. BCDC is leading a collaboration of State, regional, special district, and local government agencies that is preparing the Bay Area Regional Shoreline Resilience Strategy, which will be incorporated into BCDC's laws and policies and the Bay Area's 2017 Sustainable Communities Strategy (SB 375).

BCDC is mandated to develop and implement state policies on the regional level. To do so, BCDC must be an effective regional agency coordinator, collaborator, and partner. Developing and fulfilling relationships with local and regional governments and agencies are just as important for BCDC as working closely with its State partners. The Bay Area Regional Collaborative (BARC, formerly known as the Joint Policy Committee) is comprised of BCDC and three regional agencies (Metropolitan Transportation Commission, Association of Bay Area Governments, and the Bay Area Air Quality Management District), and is authorized by state law to successfully promote and fulfill government functions regionally. BARC has directed BCDC to lead the development of the Bay Area's shoreline resilience strategy in collaboration with its BARC partners.

## Analysis of Problem

As part of the FY2016 budget, the State Legislature directed BCDC to analyze the policy ramifications of BCDC relocating with the three other member agencies of BARC at the regional agencies' new office building located at 375 Beale Street in San Francisco.

### Resource History (Dollars in thousands)

| Program Budget          | PY - 4 | PY - 3 | PY - 2 | PY - 1 | PY |
|-------------------------|--------|--------|--------|--------|----|
| Authorized Expenditures |        |        |        |        |    |
| Actual Expenditures     |        |        |        |        |    |
| Revenues                |        |        |        |        |    |
| Authorized Positions    |        |        |        |        |    |
| Filled Positions        |        |        |        |        |    |
| Vacancies               |        |        |        |        |    |

### Workload History

| Workload Measure   | PY - 4 | PY - 3 | PY - 2 | PY - 1 | PY | CY |
|--|--------|--------|--------|--------|----|----|
| e.g., Applications Received, Applications Processed, Call Volume, etc. |        |        |        |        |    |    |
|  |        |        |        |        |    |    |
|  |        |        |        |        |    |    |
|  |        |        |        |        |    |    |

#### c. State Level Considerations

##### ***BCDC CO-LOCATION***

BCDC and its BARC partners “coordinate and improve the quality of land use, transportation, and air quality planning for the Bay Area” by “coordinating the development and drafting of major planning documents prepared by” member agencies. BCDC is leading the region’s efforts to adapt to climate change, is helping to coordinate the next iteration of the Bay Area’s Sustainable Communities Strategy (SB 375), and working closely with its partners to harmonize important regional plans and strategies. Co-locating these efforts in one building in which all agency staffs can work together seamlessly – both physically and figuratively – to increase regional integration more wisely uses state resources than leaving BCDC literally on the sidelines by being the only one of the four partner agencies not located at the single site. *By co-locating, BCDC will best be able to fulfill its state-legislated mandate of leading the Bay Area’s planning for rising sea level. This leadership will enable BCDC and other regional agencies, in collaboration with state agencies, to protect billions of dollars of state-owned and –related assets located in the Bay Area that are at risk due to rising sea level, and implement its climate change adaptation planning efforts as required by the Governor’s Executive Order B 30-15.*

The Regional Agency Headquarters Building at 375 Beale Street in San Francisco will be completed in April 2016. BCDC’s space is scheduled to be ready for occupancy in Fall 2016. BCDC’s move to 375 Beale would be a turnkey operation requiring BCDC to move only its office equipment and paper files and to establish its Local Area Network (LAN) and Voice Over Internet Protocol (VOIP) telephone system. Just as important, the California Department of Justice (DoJ) has expressed to DGS its desire to expand into BCDC’s current space in the Hiram Johnson Building immediately upon BCDC’s departure. *DoJ and BCDC*

## Analysis of Problem

*each submitted a CRUISE request to implement the move; DGS returned both and informed both agencies that the decision whether to move is a “policy call” to be made by the Administration.*

### Consequences If Not Approved

Not joining its regional partners at 375 Beale would complicate, hinder, and lessen collaboration required to fulfill BCDC’s mandate and would delay or otherwise diminish regional state policies — particularly addressing the challenge of how rising sea level will cause damage to state-owned and –dependent assets absent BCDC and regional collaboration. For BCDC to pay for this one-time expenditure of \$350,000 from its General Fund, BCDC would have to eliminate four (4) Coastal Program Analyst positions in FY 16/17 (BCDC has only ten such positions). This staff reduction would virtually negate BCDC’s ability to analyze and approve or deny permit applications and enforce state laws and policies.

### D. Justification

Co-location benefits accrued by moving to the Regional Agency Headquarters Building include working collaboratively with BCDC’s regional partners, which is crucial to fulfilling BCDC’s mandate. In addition, BCDC would be able to conduct its semi-monthly Commission public meetings “in-house” at 375 Beale’s auditorium and the public would gain much easier access to BCDC’s office, as the building is within walking distance of all the transit hubs (the Transbay Terminal, BART, ferries, Amtrak and CalTrain), which is not the case with BCDC’s current location at 455 Golden Gate Avenue.

BCDC’s annual lease at 455 Golden Gate Avenue costs \$1,031,000 and is expected to remain flat for the next five years. However, starting in year six, January 2022 (FY2021/22), after the State Building bonds are paid off, DoF has projected the rent rate will be reduced and the projected annual cost will be approximately \$342,000. As the Department of Justice plans to move into BCDC’s space as soon as possible after BCDC relocates, the State will neither lose revenue due to the move nor be forced to pay additional rent; if DOJ were unable to move into BCDC’s space, it would have to find space outside of the building just as BCDC is proposing to do, but likely at higher rental rates. *Therefore, the difference between future rent in the State Building and BCDC’s future rent at 375 Beale is not unique, i.e., either BCDC will pay that difference or another state agency will pay a larger amount. It makes more policy sense for BCDC to pay that difference given the policy outcomes of co-locating than it does for any other state agency.*

### E. Outcomes and Accountability *(Provide summary of expected outcomes associated with Budget Request and provide the projected workload metrics that reflect how this proposal improves the metrics outlines in the Background/History Section.)*

The expected budgetary outcome for this BCP is a one-time General Fund augmentation of \$350,000, in addition to increased rent after year six, which would be paid by another State agency given space limitations in the Hiram Johnson building. The expected policy outcomes are greatly increased protection and resilience for state-owned and -dependent assets in the Bay Area.

**Projected Outcomes**

| Workload Measure   | CY | BY | BY+1 | BY+2 | BY+3 | BY+4 |
|--|----|----|------|------|------|------|
| e.g., Applications Received, Applications Processed, Call Volume, etc. |    |    |      |      |      |      |
|  |    |    |      |      |      |      |

## Analysis of Problem

|  |  |  |  |  |  |  |
|--|--|--|--|--|--|--|
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |

**F. Analysis of All Feasible Alternatives**

Alternative 1. Request the Department of Finance to provide a one-time General Fund augmentation of \$350,000 for BCDC's relocation to the Regional Agency Headquarters Building at 375 Beale Street. BCDC can then increase its collaboration with the three regional agencies with which BCDC works regularly on joint policy issues, including rising sea level adaptation planning to better protect state-owned and -dependent assets located in the Bay Area.

Alternative 2. Allow the move but require BCDC to eliminate four positions in FY 16/17 equivalent to a Coastal Program Analyst I classification to pay for this one-time expense of \$350,000. This position reduction would decimate BCDC's ability to analyze and approve or deny permit applications and would greatly diminish BCDC's enforcement of state laws and policies.

Alternative 3. Deny the move, which would set back Bay Area regional planning and put state assets more at risk.

**G. Implementation Plan**

BCDC requests that funds for this move be included in the FY 2016-17 Governor's Spring Finance Letters to pay for the one-time move costs to the new 375 Beale Headquarters building. No additional staff is requested.

**H. Supplemental Information** (*Describe special resources and provide details to support costs including appropriate back up.*)

**I. Recommendation**

The new regional center will be an efficient and collaborative site in which the region's policy makers will work together to address the critical issues confronting the Bay Area, including the threats of rising sea level to state-owned and -dependent assets. Creative and groundbreaking policy solutions will flourish in this collaborative environment. BCDC requests that its office be relocated to 375 Beale Street in Fall 2016 so that the State can benefit from this new venue while relocating DoJ into BCDC's space so as not to forego rent revenue. Therefore, BCDC recommends a one-time \$350,000 General Fund augmentation in FY 16/17 so that BCDC can relocate to 375 Beale Street.