

Cash crunch halts 4,000 conservation projects

Jane Kay, Chronicle Environment Writer

Friday, January 16, 2009



California's fiscal crisis has derailed 4,000 conservation projects across the state, from restoration of tidal marshes on San Francisco Bay to expansion of the coastal trail, and threatens major land acquisitions on the Sonoma, Big Sur and Mendocino coasts, state officials say.

Facing a cash crunch, state officials notified 1,100 groups last month that they were losing \$647 million in environmental grants that were tied to bond funds issued under voter-approved propositions. Now most of the groups can't meet deadlines to apply for matching funds, pay contractors or fulfill obligations under purchase agreements. Many of them are laying off staff and shutting down work.

"We're very disturbed. There are projects all over the state that could be building parks, improving people's quality of life and providing jobs," said Elizabeth Goldstein, president of the California State Parks Foundation.

Goldstein, who worked to win funds to restore Yosemite Slough on Candlestick Point in San Francisco's Hunters Point, had to tell plan designers to stop work - which could delay cleanup and restoration of the 34-acre site for bayside wildlife habitat and public access.

The California Coastal Conservancy, the Wildlife Conservation Board and other agencies that dole out bond money instructed land trusts, cities, resource agencies and small nonprofits to suspend all work paid from bond sales as of Dec. 17.

Projects are expected to be halted at least until the state passes a budget and improves its financial standing enough that investors will consider California bonds a solid investment.

Today, the State Pooled Money Investment Board, which includes the state's treasurer, controller and finance director, will meet to consider whether to ease the freeze on financing for schools, roads, levees, environmental protection, veterans homes and others. The staff has recommended releasing \$500 million until the end of the fiscal year in June.

Bay trail work halted

In recent weeks, every county in the Bay Area ended work on 30 projects aimed at closing 41 miles of gaps in the planned 400-mile Bay Trail. Some \$4 million in bond funds leveraged \$19 million in additional funds from foundations to government agencies.

Other key projects that have been halted include:

-- Restoration of 16,500 acres of former Cargill Inc. salt ponds around the bay to marshes that benefit birds and fish, one of the biggest environmental projects in the nation. Philip Williams & Associates in San Francisco, the San Francisco Estuary Institute in Oakland and private consultants contracted to do the work may have to lay off staff.

-- Restoration of five islands in Oakland's Lake Merritt. Angel Island also was relying on bond funds to mount an exhibit on the immigration station in the barracks building.

-- A decadelong, \$16 million campaign to spray or dig out East Coast cordgrass that mats up and chokes the edges of San Francisco Bay. It is on hold because the yearly \$1.5 million grant isn't available. Scientists are afraid that without the annual digging, the aggressive plants will come back, and past work will be lost.

-- The purchase of 5,630 acres of Sonoma coast at Jenner, which depends on \$16 million in bond money to complete the \$36 million purchase by September. Other acquisitions are at risk on the Carmel River, where the Big Sur Land Trust is trying to buy or restore key pieces for walking, biking and flood control, and on Big River in Mendocino County.

Some cities and nonprofit groups also got stuck.

Pulling plug on ecocenter

Literacy for Environmental Justice, a small nonprofit organization, is preparing to pull the plug on construction of a \$1.2 million EcoCenter at Heron's Head Park in Hunters Point after a decade of trying to get grants and permits to build a green building to educate 1,000 public school students about the environment each year.

Santa Cruz started erosion-control projects under a \$200,000 state grant. With the funds now frozen, "the city has no choice but to pay the contractors involved with the projects" and wait for the state to reimburse, said Steve Hammack, the city's superintendent of parks and recreation.

The Point Reyes Seashore Association paid out more than \$600,000 on the Giacomini wetland restoration near Point Reyes Station, only to learn that the money was on hold.

"It's potentially catastrophic," said Mark Bartolini, the group's executive director. "We're operating

on a line of credit, and when it comes due, we simply don't have that kind of money in reserve to cover that shortfall."

Another project brought to a near-standstill is a UC Davis study on pathogens in 10 tributaries to Monterey Bay that cause gastrointestinal diseases. The results are expected to aid fishermen, kayakers, surfers and otters who use the ocean below.

On Monterey Bay, scientists stopped counting fish stocks, and several dam removals to help steelhead have been halted. A dozen projects to prevent erosion after last year's wildfires along the Carmel and Big Sur watersheds also have been stopped.

"We are urging the Schwarzenegger administration and the Legislature to immediately restore funding for these projects to put people back to work," said Michael Wellborn, president of the California Watershed Network, which works with 300 community groups.

Projects halted

Alameda County - Work on Berkeley Meadow in Eastshore State Park; study on county creeks.

Marin County - Wetland restoration at Hamilton Field and Bel Marin Keys; wetland work at Giacomini Ranch.

San Francisco - Construction of Heron's Head EcoCenter Park at Hunters Point; restoration of Yosemite Slough on Candlestick Point.

San Mateo County - Expansion of coastal trail to Pillar Point, Fitzgerald Marine Reserve and Pigeon Point Lighthouse; development of Año Nuevo Marine Education Center.

Sonoma County - Complete plan for Santa Rosa Creek and Bodega Bay Trail; wetland restoration at Sears Point.

E-mail Jane Kay at jkay@sfnchronicle.com.

<http://sfgate.com/cgi-bin/article.cgi?f=/c/a/2009/01/16/MNU415B8TA.DTL>

This article appeared on page **A - 1** of the San Francisco Chronicle

© 2009 Hearst Communications Inc. | [Privacy Policy](#) | [Feedback](#) | [RSS Feeds](#) | [FAQ](#) | [Site Index](#) | [Contact](#)