



Midpeninsula Regional  
Open Space District

R-20-112  
Meeting 20-28  
December 7, 2020

## AGENDA ITEM 2

### AGENDA ITEM

2020 Environmental Scan and Fiscal Year 2021-22 Strategic Plan Goals and Objectives

### GENERAL MANAGER'S RECOMMENDATIONS *den*

Consider the results of the 2020 Environmental Scan and review, update if needed, and adopt the Fiscal Year 2021-22 (FY22) Strategic Plan Goals and Objectives to guide the development of the FY22 Budget and Capital Improvement and Action Plan (CIAP).

### SUMMARY

Each year, the Board of Directors (Board) holds two retreats as part of the annual budget process. For the budget development cycle ending June 30, 2022 (FY22), these retreats are scheduled on Monday, December 7, 2020 and Tuesday, March 4, 2021. On December 7, 2020, the Board will review and discuss:

- The Environmental Scan Report, which is prepared annually to inform any updates to the Strategic Plan Goals and Objectives (Attachment 1);
- The current Strategic Plan Goals and Objectives, identifying any desired language revisions, and subsequently adopt the FY22 Strategic Plan Goals and Objectives (Attachment 2).

This annual Board Retreat Meeting 1 (Strategic Planning) provides the Board with an early opportunity to set the overall course for the coming year at a broad policy level. It also provides the framework for Board Retreat Meeting 2 (Priority Setting) scheduled on March 4, 2021. At this future meeting, the Board will discuss and confirm the priorities for the next fiscal year to guide the Budget and Action Plan development ahead of the presentations to the Action Plan and Budget Committee, which begin in late April 2021.

### DISCUSSION

The Board adopted a comprehensive Strategic Plan in 2011 (R-11-96) to provide a policy framework for guiding the Midpeninsula Regional Open Space District (District) in implementing its mission. Each year, the Board reviews, makes edits as necessary, and adopts the Strategic Plan Goals and Objectives for the following fiscal year to provide high-level direction for developing the upcoming Budget and Action Plan.

Environmental Scan

Staff will present the results of the 2020 Environmental Scan Report (Attachment 1) and discuss the strengths, challenges, barriers, and opportunities facing the District as it looks forward to FY22. The environmental scan includes significant internal and external conditions, data, and factors that may influence the efficiency and effectiveness of the organization's operations, services, and project delivery. The annual environmental scan informs the Board's subsequent review and any revisions to or affirmation of the Strategic Plan Goals and Objectives. Below is a summary of the notable themes and findings from the environmental scan:

- Despite COVID and other disruptions, the District remains focused on delivering Vision Plan and Measure AA projects, and providing essential services to the public as many more people seek safe access to outdoor open space and nature experiences. Time spent in nature has been critical for many in coping with current struggles and has provided a respite from the necessary social distancing requirements and shelter-in-place orders.
- High levels of preserve visitation present both opportunities and challenges for the District. These numbers indicate great public appreciation and support for the protection of natural open spaces, and new visitors who are experiencing their public open space preserves for the first time. On the other hand, these levels raise questions about the resulting effects on nearby residents and communities, potential impacts to the preserves, and whether staffing levels are sufficient to manage increasing numbers.
- The District continues to demonstrate great progress in fulfilling its 25 Measure AA (MAA) Portfolio commitments. To date, a total of 49 individual Measure AA projects within 20 MAA Portfolios have been completed, resulting in two (2) fully completed Portfolios with work underway for 18 Portfolios.
- The District currently remains in a stable financial position with the ability to afford projected expenses and planned projects; however, the pandemic brings heightened uncertainty around future economic conditions and the rate of projected revenue growth is showing signs of slowing.
- COVID-related economic impacts have significantly impacted District partners at the local and state levels with funding sources being diverted away from open space partnership projects to address public health needs, social services, and economic recovery.
- High unemployment has stabilized or reduced labor costs; however, the cost of construction materials (e.g. lumber, flooring) continues to rise. Due to a slowdown in commercial construction projects, the District is experiencing an increase in the number of interested bidders and total bids received per project.
- Climate change continues to create new and increasing challenges for the District. Most recently and prominently, increased wildfire activity has led to an intensified need for practical, affordable and sustainable fuel and fire management actions. The District's developing Wildland Fire Resiliency Program will guide the annual prioritization of fuel management sites and the accompanying Environmental Impact Report will provide the environmental clearance to expand the amount of work that can be done per year. Nevertheless, the District will still face numerous challenges: requests to conduct lower priority work/swap with higher priority areas; ability to achieve annual consensus amongst different fire agencies on the true highest priority fuel management needs within the District; securing outside funding and partnerships to leverage District resources and annually

complete the desired work; and expanding staff capacity or redirecting staff away from capital projects to expand fuel management work.

- Continued monitoring of state and national policies, especially after the 2020 elections, is important for early flagging of potential negative implications to funding, programs, services, and governance, and expedient action to engage legislators and community leaders.
- Reaching out to and educating newly elected officials and the public of the District’s critical role in protecting water quality and water supplies, reducing climate change impacts like catastrophic wildfires, furthering regional conservation goals to sustain our region’s life support system, and providing outdoor nature experiences for the mental, physical, and emotional well-being of our community is an essential ongoing and strategic need.
- Infrastructure projects, including Measure AA public access projects, often trigger conditions of approval that require native revegetation and restoration with multi-year monitoring efforts to reach performance goals. Although this work is required to complete beneficial projects for the public, these requirements reduce the District’s resource management capacity to focus on high-benefit, focused habitat restoration projects.
- Recruiting and retaining employees continues to be a key focus for the organization. While higher regional unemployment is creating larger recruitment pools, the region is experiencing an increase in emigration that may reduce the number of qualified people who are actively seeking employment. Continuing to explore creative strategies to keep staff engaged and socially/emotionally healthy is key for staff retention and to maintain a resilient and productive workplace. Given the significant nationwide shift in remote work, one noteworthy strategy is the expansion in remote work options/days for administrative staff. Other shifts in work patterns and arrangements that have been implemented “temporarily” due to COVID-19 will be evaluated for possible long-term use with recruitment and retention in mind.

The Board is encouraged to review the detailed information in Attachment 1 prior to the retreat to prepare for the discussion.

### Strategic Plan Goals and Objectives

Last year, the Board made substantial edits to the District’s Strategic Plan Goals and Objectives in response to prior environmental scan considerations to ensure ongoing successful implementation of the District’s mission (Attachment 2). After reviewing the 2020 environmental scan report and considering the potential focus areas for FY22, the General Manager offers the following food for thought as the Board discusses any potential edits to adopt the Strategic Plan Goals and Objectives for FY22.

- Goal 1, Objective 3 – consider whether adding “and other elected officials” would be important in expanding the reach and inform local policymaking at the city and county levels to further the goals of local open space protection in San Mateo and Santa Clara Counties.
- Goal 1, Objective 4 – consider adding “and working lands” or replacing with “natural and working lands” for added clarification.
- Goal 2, Objective 2 – consider adding “Focus on high-impact actions to…” if there is a desire to emphasize resource allocations on high impact, focused resource management efforts.
- Goal 3, Objective 1 – consider adding language to include the celebration of high public support for the District’s regional environmental and quality of life benefits gained over the last 50 years.

- Goal 3, Objective 3 – consider whether it is important to highlight equity of access and supporting green/multi-modal options to access preserves in furthering Board policy on Diversity, Inclusion and Equity while addressing the effects of high visitation.
- Goal 4, Objective 3 – consider incorporating lessons learned from prior disruptions to improve upon the District’s state of readiness.
- Goal 5, Objective 5 – consider adding “preparing for” in addition to pursuing and ensuring, to signal that the District will also prepare to be poised for future funding opportunities if grant sources are deferred to later years in light of other pressing funding demands.

## **FISCAL IMPACT**

Acceptance of the Environmental Scan Report and adoption of the FY22 Strategic Plan Goals and Objectives have no immediate fiscal impact. These actions will inform, together with Board confirmation of District priorities on March 4, 2021, the development of the FY22 Budget and CIAP as part of the annual Budget and Action Plan development process.

## **BOARD COMMITTEE REVIEW**

This item was brought directly to the full Board given full Board interest and importance.

## **PUBLIC NOTICE**

Public notice was provided as required by the Brown Act.

## **CEQA COMPLIANCE**

This item is not subject to the California Environmental Quality Act.

## **NEXT STEPS**

On March 4, 2021, the Board will confirm the District-wide priorities for the upcoming fiscal year. The outcomes of the December 7, 2020 and March 4, 2021 Board retreat meetings will guide the development of the FY22 Budget and Action Plan.

### **Attachments:**

1. 2020 Environmental Scan Report
2. FY22 Strategic Plan Goals and Objectives

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# 2020 Environmental Scan Report

## Introduction

This report summarizes the annual 2020 Environmental Scan responses, as the Midpeninsula Regional Open Space District (District) looks forward and plans for FY22.

Each year, District managers take time to reflect on external and internal environments by answering a set of questions. The goal of this exercise is to identify any new trends that the District should be aware of, respond to in a timely fashion, and ideally get ahead of to avoid potential challenges and be well poised to make the most of new opportunities.

The Environmental Scan considers current and anticipated changes to the economy, political environment, local leadership, regulatory requirements, demographics, organization and workflow, and technology trends. Key findings are presented below to inform Board discussion as they consider whether revisions to the annual Strategic Plan Goals and Objectives are warranted.

## Economy

The economic impacts from the pandemic continue to evolve, resulting in uneven effects across economic and industrial sectors, with some strengthening and others shrinking dramatically. Because of the pandemic's unprecedented nature in modern times, predicting future economic conditions is more uncertain than ever. With that said, there is a general expectation of slowed economic growth for multiple years.

Several construction cost indices have shown that building materials, such as lumber, flooring and carpet, have increased in 2020 and will likely continue to increase while labor costs are remaining either constant or decreasing. In addition, prior cost fluctuations caused by tariffs seem to have normalized. Contractor competition has increased due to a decrease in new construction projects. Recent District experience on projects that go out to bid support this trend. For example, the AO contractor prequalification process received qualification packages from 17 interested firms. For other projects, the District is now normally receiving 3 to 8 construction bids, whereas before this number was closer to 1 to 3. This level of construction bidding interest had not been previously seen for over 5 years and has resulted in construction bids coming in near or below engineer's estimate. Another consequence of the increased bidding interest is increased District time and effort to more closely manage the bid process to avoid potential bid protests and other issues that hamper project delivery.

Although the region's job market remains stronger than the nation as whole and unemployment rates have been dropping from historic highs earlier in the year, regional unemployment remains higher than pre-COVID times. While the speed and breadth of economic recovery will ultimately determine the longer-term health of the residential real estate market, at this time, assessed property values that are the District's primary source of revenue remain overall stable. However,

the rate of growth in value and therefore the rate of growth in District revenue has decreased as compared to the January projections.

Currently, there is no indication that counties plan to suspend the Teeter Plan or that tax receipts will be less than planned. The December 2020 tax collections, as compared to past years and planned amounts, will be an important indicator of the reasonableness of District revenue projections and Teeter Plan suspension risk. Based on the District Controller's conservative 30-Year Cash Flow Model, property tax revenues are projected to slow down to a growth rate of 3.5% in FY22 and beyond. The total General Fund ad valorem property tax revenue estimate for FY21 is 3.6% above FY20, a notably lower rate of increase than the past seven years, which has ranged between 5.6% and 10.9%.

Local and state government revenues have been much more heavily impacted by the COVID economic downturn than the District and these other agencies have experienced more extensive COVID-related expenses. This is in part due to significant decreases in key sources of local agency revenue, including sales tax and transit occupancy tax. This economic impact has already significantly affected potential partnerships and grant funding sources at the county and state level. For example, an \$8 million request for state funding to support the potential Cloverdale acquisition did not go through due to a redirection of state funds to COVID-relief and fire recovery needs. Also, an approximately \$1.2 million state Forest Health Grant request had to be deferred due to similar circumstances.

### Political Environment and Local Leadership

#### **Federal**

Assuming there will be a peaceful transition of power at the presidential level, favorable changes to protect the environment and address climate change impacts are anticipated. However, there may be an overall reduction in federal agency budgets and programs due to an increase in the national debt to pay for significant pandemic stimulus packages that are focused on jobs, business recovery, public health, and human services.

#### **State**

The Governor of California, Gavin Newsom, signed an executive order on October 7 to protect a third of California's land and coastal waters in his latest effort to fight climate change. With the goal of protecting 30% of California land by 2030, he directed state agencies to pursue actions on state lands and waters that absorb climate-warming carbon from the atmosphere. His directive aligns well with the District's mission. Due to funding constraints as a result of the ongoing pandemic, the scope of available funding at least in the near term is expected to be limited and focused on wildfire recovery. The extent and duration of state unemployment will likely determine what state funding proposals are considered and passed.

The November 2020 general election includes all three state senators that represent the District. The District has had particularly productive relationships with the current state senators, all of

whom are terming out. It will be important to build and develop strong relationships with newly elected senators.

### **Local**

The District's stature and awareness continues to increase locally among the public, community organizations, partners, and agencies thanks to many successful high-profile projects and outreach efforts, including the completed Ravenswood Bay Trail, Bear Creek Redwoods Public Access, the opening of the Mount Umunhum summit, and positive outcomes from the La Honda Public Access Working Group. Recent wildfire response efforts have also enhanced positive regard for the District.

Public attendance at District preserves has surged during the pandemic, leading to increased societal appreciation for the value of open space and nature, and public awareness and appreciation of the District. Holding virtual Board meetings has increased public participation in District activities. With increasing public engagement, ensuring that the District retains adequate tools, processes, and staffing to effectively manage public input, stakeholder communications, and public outreach is ever more important.

Ward boundary redistricting will occur after the 2020 census. This is a time-intensive process that involves Information Systems and Technology, General Manager's Office, Public Affairs, Legal, and the Board of Directors. With an overall increase in public participation, this effort may engage many more residents to participate in the process.

California's focus on wildland fire prevention, community resilience, forest management, and utility oversight continue to intensify. This focus is also reflected locally with increased demands and opportunities to work with neighbors, municipalities, and fire agencies to address fire risk and increase fuel reduction work. At this time, it is unclear whether these demands will bring new funding opportunities in the near term given the major economic and health impacts brought on by the pandemic. Regardless of available funding, these demands are beginning to divert staff resources away from other traditional open space projects and operations. The increasing number of "Red Flag" closures is also creating greater District operational impacts to properly manage the closures and the concentration of visitor use in the preserves that remain open (red flag closures primarily affect coastal preserves, Windy Hill, and Teague Hill).

### **Regulatory Requirements**

Permitting is one of the primary factors outside District control that continues to affect project timelines. The pandemic has exacerbated permitting delays as many local, state, and federal agencies were substantially limited in their ability to process permits due to shelter-in-place orders. Agency workforce reductions and/or redirections to other more pressing needs (e.g. supporting Emergency Operation Centers) have and continue to affect permit timelines. These same agencies are also working to manage a backlog of permit reviews that further impact project



timelines, resulting in delayed permit coordination meetings, permitting consultations, permit reviews, process changes, and permit issuance.

The District regularly faces a multitude of overlapping jurisdictional permitting processes at the local, county, state, and federal level that increase project costs and extend project delivery timeframes. Staff continues to make progress towards a programmatic permitting solution for routine maintenance and small-scale projects at the state level and with San Mateo County. Furthermore, staff is monitoring legislative bills to identify additional opportunities for permit streamlining. Unfortunately, the District is now also seeing permitting slowdowns and issues with Santa Clara County and is exploring whether opportunities exist to restore prior permit efficiencies.

### Demographics

The District's jurisdiction is trending younger and more diverse. And while average income and education levels are very high, District constituents reflect an exceptionally wide range of income and education levels. The negative effects of the pandemic have been experienced disproportionately by underserved communities.

The region, along with the country, is experiencing a resurgence in the quest for diverse representation and social equity, and the District has been responsive by creating two staff teams to further Board policy on diversity, inclusion and equity. One team is specifically focused on recruitment/retention/staff development and the other on community partnerships/outreach. Engaging a more diverse and fully representative demographic will forge a stronger long-term bond with the communities we serve.

The pandemic has increased preserve visitation in all locations. Existing parking facilities are ill equipped to meet peak demands in popular preserves on Fridays, Saturdays, and Sundays, and holidays, resulting in overflow roadside parking and the need for additional No Parking zones to prevent parking in unsafe locations. At the same time, the visitation levels demonstrate a high level of public support and appreciation for open space and opportunities to increase District awareness and high regard. Moreover, recognizing that there is a significant distance and elevation difference between the vast majority of people and most public open spaces, equity is an important consideration as solutions are explored to address the visitation demands.

### Internal Organization and Workflow

The number of field staff positions increased significantly following the 2015 adoption of the District's organizational study (FOSM) and the subsequent split of the Operations Department into the Visitor Services Department and Land and Facilities Services Department. This growth added 17 new positions to meet a variety of growing field needs, including the administrative operation of two departments, increased patrol demands in the Foothills Area with the opening of new public access areas, creation of the special projects field crews to complete in-house construction

projects, and additional maintenance staff to address the operational needs of expanded acreage and new facilities. Although field staffing has grown significantly since 2015, maintenance and patrol demands continue to rise due to high visitation, continually increasing acreage, new trail mileage, increasing demands for fuels management work, and operational maintenance of newly constructed public access facilities. In addition, the District retains a growing list of deferred resource management work that also needs attention.

New infrastructure projects often result in permit requirements that include significant revegetation and multi-year monitoring (typically 5+ years for watering, weeding, plant establishment, and plant replacement). Much of this work is contracted out. As more District projects are completed, ongoing contractor costs and staffing resources to oversee the monitoring and maintenance of revegetation sites will continue to escalate. Although this work is necessary to complete public access projects, the work diverts resource management capacity from completing other more impactful habitat restoration focused projects.

Social distancing requirements brought on by COVID-19 have dramatically shifted traditional work processes, including the hiring and onboarding of new employees. This has led to new and adjusted practices and procedures that work well in remote work environment, as well as additional staff coordination and communications to meet recruitment and onboarding goals. In addition, the District has limited the number of seasonal positions hired in 2020 to ensure proper social distancing as new work practices have been developed, implemented, and refined. The recent rise in unemployment rates has been accompanied by a larger applicant pools for vacant positions.

In response to the pandemic and shelter-in-place orders, the District has done an exceptional job transitioning to remote work, complying with new regulations, and adapting work assignments while continuing to deliver on District objectives and goals. Internally, shifts in work patterns, communication platforms, and employee protocols have created mixed impacts to District workloads – in some ways requiring more effort in using these new systems to move projects forward, and in other ways increasing the convenience and ability to connect remotely. Unfortunately, external communications with agencies and vendors are not always optimal given limitations on their end that can slow coordination work. These pandemic related effects continue to evolve and will likely extend into FY22. While the District's ability to adapt has been commendable, the ability to deliver projects is overall reduced from pre-pandemic levels. In the meantime, we remain vigilant in preserving our collaborative culture that is unique to the District during ongoing workplace disruptions.

## Technology Trends

In the last five years, staff have placed significant effort, time, and attention on the implementation and training of new technology, software, and processes, including SharePoint,

OneDrive and Microsoft Teams. Many of these recently added technologies allowed for an expedited and successful shift to remote work necessitated by the pandemic in mid-March.

Local agencies, like the District, are expected to increase data access and public engagement through technology and online tools. Work completed over the last few years has laid a strong foundation for future technological success, and the work is not yet done. District investments in technology are continual. Possibilities for new technologies include increased use of mobile connectivity (e.g., communication, ecological data collection and fire monitoring), enterprise resource planning/finance software modernization, improved webcasting/videoconferencing, and telephone/communications systems update. And, as the District expands its cyber connectivity, the need for more robust cybersecurity also increases especially given the proliferation of cyberattacks on public agencies. Overall, since the pandemic, cyberattacks have increased over 800% and more than 90% of companies reported such an increase in attacks.

### Other Topical Trends

As the District prepares for the next fiscal year, other topics to consider include:

- Formalizing operational changes made in response to the pandemic (e.g., public meeting video conferencing).
- Remaining responsive to the continual shift in communications channels (e.g. less direct mail and more social media and online communications) and demographic differences amongst social media platforms.
- As the District continues to pursue new policies, projects, and initiatives in support of its mission, non-traditional modes of outreach and engagement are needed to keep the public well informed and contributing input early to validate and support District processes and outcomes. Reviewing early concepts and ideas with key community leaders can gauge anticipated levels of public support and interest, and inform outreach and engagement efforts.
- The property management program growth and demands have outpaced staff capacity. An attempt in early 2020 to contract with property management firms for management of residential structures was unsuccessful due to lack of interest in response to a request for proposals. New and modified, scalable strategies are needed to meet new needs.
- The District continues to receive high levels of e-bike advocacy requests from members of the public as well as strong sentiments from all sides supporting and opposing the use. A careful approach is required to evaluate whether e-bikes use is compatible with the District's mission and aligned with core values.
- The District's response to the August lightning complex fires (including both field staff suppression and GIS dynamic mapping applications and rapid data-hosting capability) propelled the District's stature among regional agencies. Future requests are expected when regional responses are required.

- The District's 50 year anniversary is fast approaching in 2022. Significant resources will be necessary to plan, organize, and hold celebratory events and activities that showcase the District's work and positive impact. This major "golden" anniversary presents a tremendous opportunity to further educate and engage the public, and further build widespread support and appreciation.

###

## FY22 Strategic Plan Goals and Objectives

### **Goal 1 – Promote, establish, and implement a regional environmental protection vision with partners**

**Objective 1** – Continue implementation of the District’s Vision Plan and communicate progress on projects through reporting results and building partner relationships

**Objective 2** – Build and strengthen diverse partnerships to implement a collaborative and science-based approach to regional environmental protection

**Objective 3** – Build and strengthen relationships with legislators to advocate environmental protection goals

**Objective 4** – Preserve open space lands of local and regional significance

### **Goal 2 – Protect the positive environmental values of open space lands**

**Objective 1** – Take a regional leadership role in promoting the benefits of open space

**Objective 2** – Protect and restore the natural environment in a manner that expands regional resiliency and climate change adaptation to preserve healthy natural systems

**Objective 3** – Work with fire agencies and surrounding communities to strengthen the prevention of, preparation for and response to wildland fires for enhanced ecosystem resiliency and public safety

**Objective 4** – Support the viability of sustainable agriculture and character of rural communities

### **Goal 3 – Connect people to open space and a regional environmental protection vision**

**Objective 1** – Communicate the benefits of a regional environmental protection vision

**Objective 2** – Refine and implement a comprehensive public engagement strategy, including the outreach to diverse communities and enhanced public education programs

**Objective 3** – Expand opportunities to connect people to their public open space preserves consistent with a regional environmental protection vision

**Objective 4** – Reflect the diverse communities we serve in the District’s visitors, staff, volunteers, and partners

### **Goal 4 – Strengthen organizational capacity and long-term financial sustainability to fulfill the mission**

**Objective 1** – Provide the necessary resources, tools, training, and infrastructure, including technology upgrades and capacity building

**Objective 2** – Continuously evaluate and improve processes and business model to effectively and efficiently deliver Vision Plan projects and the District’s ongoing functions

**Objective 3** - Build state of readiness for potential disruptions by completing a risk assessment and creating a business continuity plan

**Objective 4** – Continue to engage constituents for bond sales and via the work of the Bond Oversight Committee – “Promises made, promises kept.”

**Objective 5** – Remain financially sustainable by pursuing and ensuring discretionary funding opportunities and partnerships to augment operating, capital, and bond funding sources, and ensure that large capital expenses and land acquisitions, including associated public access and land management costs, are evaluated within the long-term financial model and remain financially sustainable

**Objective 6** – Continue to recruit, develop and retain talented staff to implement the District's mission and strengthen our organizational capacity