

1 [Accept and Expend Grant - Environmental Protection Agency - Clean Ports Program -
2 \$55,386,000]

3 **Resolution authorizing the Port of San Francisco, contingent on Port Commission**
4 **approval, to accept and expend a grant award in the amount of \$55,386,000 from the**
5 **United States Environmental Protection Agency (EPA), to fund the San Francisco**
6 **Waterfront Emissions-Free Ferry System for the period of January 1, 2025, through**
7 **December 31, 2028.**

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9 WHEREAS, The Port manages the San Francisco waterfront within its jurisdictional
10 boundaries as the gateway to a world class city, and advances environmentally and financially
11 sustainable maritime, recreational and economic opportunities to serve the City, Bay Area,
12 California, and nation; and

13 WHEREAS, The Port of San Francisco is an economic engine welcoming millions of
14 people to its jurisdiction each year while supporting operations that provide sustainable jobs
15 for people in the community; and

16 WHEREAS, On August 16, 2022, President Biden signed the Inflation Reduction Act
17 into law, marking one of the largest investments in the American economy, energy security,
18 and climate that Congress has made in the nation's history; and

19 WHEREAS, The Inflation Reduction Act of 2022 provides EPA with \$3 billion to fund
20 zero-emission port equipment and infrastructure as well as climate and air quality planning at
21 U.S. ports; and

22 WHEREAS, On February 28, 2024, the EPA announced the availability of \$3 billion in
23 grant funding through the Clean Ports Program to help ports transition to zero-emissions
24 operations, reduce diesel pollution, engage with the local community, create a safer
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1 workplace for our maritime workforce, and to develop a plan to mitigate air emissions while
2 promoting equity and environmental justice; and

3 WHEREAS, On May 24, 2024, the Port of San Francisco and San Francisco Bay Ferry
4 submitted a \$55.4 million grant application to fund the San Francisco Waterfront Emissions-
5 Free Ferry System; and

6 WHEREAS, The EPA Clean Ports Program grant requires a 10% match, but the Port of
7 San Francisco proposed a 22% match totaling \$15.5 million to improve the competitiveness of
8 its application; and

9 WHEREAS, The San Francisco Public Utilities Commission has committed \$13.6
10 million in bond proceeds to support installation of critical electrification infrastructure to the
11 Downtown Ferry Terminal, subject to future bond issuances and appropriations, to support the
12 required match; and

13 WHEREAS, The San Francisco Bay Ferry has committed \$1.9 million in grant pass-
14 through funding, including \$0.9 million Regional Measure 3 and \$1.0 million Transit and
15 Intercity Rail Capital Program funding to support the required match; and

16 WHEREAS, On October 16, 2024, the EPA announced the Port of San Francisco was
17 selected to receive an EPA award for the full funding request of \$55.4 to fund the San
18 Francisco Waterfront Emissions-Free System Project; and

19 WHEREAS, The San Francisco Waterfront Emissions-Free Ferry System Project will
20 fund four unique components including construction of the Mission Bay Ferry Landing,
21 electrification infrastructure at the Downtown San Francisco Ferry Terminal, a zero-emission
22 400-passenger fast ferry, and a maritime workforce development program; and

23 WHEREAS, This funding will build out a zero-emission network that connects the
24 communities served by SF Bay Ferry, including Oakland, Richmond, Vallejo and Alameda
25 with financial and biotech employment centers; and

1 WHEREAS, These projects under SF Bay Ferry's Rapid Electric Emission-Free
2 (REEF) Ferry Program will accelerate a new standard for clean ferries nationwide and serve
3 as a training platform for the Bay Area's maritime workforce development program; and

4 WHEREAS, The grant also includes funding to support a maritime workforce
5 development program operated by the Working Waterfront Coalition that will train more than
6 200 apprentices aimed at establishing a skilled workforce pipeline to address the shortage of
7 maritime professionals crucial for the operation and expansion of comprehensive regional
8 ferry service; and

9 WHEREAS, The EPA grant provides crucial funding that leverages more than \$115
10 million from other local, state, and federal sources, including Regional Measure 3, CalSTA
11 Transit and Intercity Rail Capital Program, FTA Rapid Electric Emission-Free Ferry funding,
12 City and County of San Francisco Capital Funds, San Francisco Sales Tax, and private
13 funding; and

14 WHEREAS, This grant does not create any new positions and will not require an
15 amendment to the Annual Salary Ordinance; and

16 WHEREAS, Indirect costs were not included in the grant to improve the
17 competitiveness of the grant application; and

18 WHEREAS, Administrative Code, Section 2.6-3, requires the Budget Analyst to review
19 legislation and report on matters that are deemed to have fiscal impact and the Budget and
20 Legislative Analyst determined this matter has fiscal impact and requires a fiscal impact report
21 be submitted prior to the legislation being heard in a fiscal committee; now, therefore, be it

22 RESOLVED, Due to the lack of a fiscal impact report, as required by Administrative
23 Code, Section 2.6-3, the funds accepted for this grant shall be placed into the Board of
24 Supervisors' reserve until released; and, be it

1 FURTHER RESOLVED, That the Board of Supervisors hereby authorizes the Port of
2 San Francisco to accept \$55,386,000 from the United State Environmental Protection Agency
3 Clean Ports Program, to fund the San Francisco Waterfront Emissions-Free Ferry System
4 Project; and, be it

5 FURTHER RESOLVED, Once the fiscal impact requirements of Administrative Code,
6 Section 2.6-3 have been resolved, the Board of Supervisors delegates their authority to
7 release these funds to the Budget and Finance Committee and the Clerk of the Board is
8 directed to schedule a hearing at the Budget and Finance Committee to duly review the
9 complete file and consider the release of the funds to the Port; and, be it

10 FURTHER RESOLVED, That the Port shall be hereby authorized to expend the grant
11 award of \$55,386,000 upon the release of funds from the Board of Supervisors' Reserve; and,
12 be it

13 FURTHER RESOLVED, That the Port, subject to the Board of Supervisors' approval,
14 authorizes the Executive Director or her designee to execute for and on behalf of the City and
15 County, any documents necessary to enter into the grant agreement with the United States
16 Environmental Protection Agency, including any extensions, augmentations, or amendments,
17 thereof; and, be it

18 FURTHER RESOLVED, That within thirty (30) days of the Grant Agreement being fully
19 executed by all parties, the Port Executive Director shall provide the final agreement to the
20 Clerk of the Board of Supervisors for inclusion into the official file.

1 Recommended:
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4 _____ /s/

5 Elaine Forbes
6 Executive Director
7 Port of San Francisco
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Approved: _____ /s/

Benjamin McCloskey,
Interim Mayor's Budget Director

Approved: /s/Jocelyn Quintos for Greg Wagner

Greg Wagner, Controller