I. Introduction

A. The Coastal Conservancy
The Coastal Conservancy (“Conservancy”) is a state agency, established in 1976, to work proactively with local communities to implement multi-benefit projects that protect and enhance coastal resources. The Conservancy’s enabling legislation is Division 21 of the Public Resources Code. Division 21 authorizes the Conservancy to undertake projects and award grants to achieve the goals set forth in Division 21. The Conservancy works along the entire length of California’s coast, within the watersheds of rivers and streams that extend inland from the coast, and throughout the nine-county San Francisco Bay Area.

The Conservancy provides technical assistance through its staff and provides grant funds to help develop and implement projects that achieve its goals. The Conservancy develops and supports multi-benefit projects that advance a number of goals, including:

- protecting the natural and scenic beauty of the coast;
- improving water quality;
- enhancing wildlife habitats;
- helping people get to and enjoy beaches and parklands;
- keeping farmland and timberlands in production;
- revitalizing working waterways;
- assisting communities to prepare for the impacts of climate change, including sea level rise.

The Conservancy has adopted its Strategic Plan 2018-2022, which identifies the Conservancy’s goals and objectives through 2022. All Conservancy funded grants must advance specific objectives in the Conservancy’s Strategic Plan.

B. Proposition 68
The California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access for All Act of 2018 (“Prop 68”) was approved by voters in June 2018. Prop 68 is codified as Division 45 of the Public Resources Code, Chapters 1-13, Sections 80000-80173. The purposes of Prop 68 include creating parks, enhancing river parkways, and protecting coastal forests and wetlands. Prop 68 also provides funding for outdoor access, lower cost
coastal accommodations and climate adaptation. Prop 68 allocates a total of $204.8 million to the Coastal Conservancy for the following purposes:

- Santa Ana River Conservancy Program $16 million
- Santa Margarita River Parkway projects $10 million
- San Francisco Bay Restoration Authority projects $20 million
- Lower Cost Coastal Accommodations $30 million
- All Coastal Conservancy purposes $85 million
- Coastal Forest Watersheds $20 million
- Acquisition of parcels to protect and restore habitat associated with estuarine lagoons and designated wildlife areas $5 million
- San Francisco Bay Area Conservancy – Climate Adaptation $40 million
- West Coyote Hills – Climate Adaptation $4.8 million

C. Purpose of this document
These Proposition 68 Program Guidelines (“Prop 68 Guidelines”) explain the process and criteria that the Conservancy will use to solicit applications, evaluate proposals, and award grants with Prop 68 funds under the Conservancy’s programs. These Prop 68 Guidelines identify the additional requirements and evaluation criteria applicable to Prop 68 funded grants. Funding available in Prop 68 will fund contracts as well as grants.

Two allocations to the Conservancy - for San Francisco Bay Area Conservancy Program climate adaptation projects and for conservation of West Coyote Hills - are required to be administered through competitive grant rounds. Proposition 68 requires each state agency that receives funding for competitive grant rounds to develop and adopt project solicitation and evaluation guidelines; conduct three public meetings to consider public comments before finalizing the guidelines; and have the Secretary of Natural Resources Agency verify that the guidelines are consistent with applicable statutes and the purposes of Prop 68. The Conservancy will develop separate competitive grant round guidelines for these two programs; the process and schedule for those guidelines is described in Section IV below.

These draft guidelines are being posted for public comment from October 10, 2018 until November 12, 2018. Comments should be emailed to grants@scc.ca.gov. Comments may also be mailed to the State Coastal Conservancy, 1515 Clay St. Suite 1000, Oakland, CA 94612. The guidelines will be revised based on the public comments and presented to the Coastal Conservancy Board at one of its upcoming public meetings.

II. Prop 68 Project Priorities and Eligibility
All grants funded by the Conservancy with Prop 68 must be consistent with the Conservancy’s enabling legislation, its Strategic Plan and its existing project selection criteria, and the Prop 68 requirements and priorities.
A. Conservancy Required Project Selection Criteria

The Conservancy has adopted *Project Selection Criteria and Guidelines*, last updated on October 2, 2014 (“Conservancy Program Guidelines”), which set forth the evaluation criteria that the Conservancy uses for all of its grant programs. The Conservancy Program Guidelines consist of required criteria that must be satisfied by all projects and additional criteria that are not mandatory but are taken into account for purposes of project evaluation and priority. The required selection criteria are:

- **Promotion of the Conservancy’s statutory programs and purposes** (Division 21 of the Public Resources Code);
- **Consistency with purposes of the funding source**; (specific Prop 68 requirements would be addressed here)
- **Promotion and implementation of state plans and policies** (specific plans and policies and the specific goals or objectives within those plans and polices that would be furthered by the project);
- **Support from the public**;
- **Location** (must be within the Coastal Conservancy’s jurisdiction);
- **Need** (desired project or result will not occur without Conservancy participation);
- **Greater-than-local interest**;
- **Sea level rise vulnerability.** (Consistent with Executive Order S-13-08, for new projects located in areas vulnerable to future sea level rise, planning shall consider a range of sea level rise scenarios in order to assess project vulnerability and, to the extent feasible, reduce expected risks and increase resiliency to sea level rise.)

Additional selection criteria considered when evaluating projects are:

- **Urgency** (threat to a coastal or ocean resource from development or natural or economic conditions; pressing need; or a fleeting opportunity)

- **Resolution of more than one issue**

- **Leverage** (contribution of funds or services by other entities). Projects funded pursuant to PRC § 80110(b)(10) – funding for San Francisco Bay Restoration Authority projects - must provide a defined cash match.

- **Conflict resolution**

- **Innovation** (for example, environmental or economic demonstration)

- **Readiness** (ability of the grantee and others to start and finish the project timely)

- **Realization of prior Conservancy goals** (advances previous Conservancy projects)

- **Return to Conservancy** (funds will be repaid to the Conservancy, consistent with the Conservancy’s long-term financial strategy)

- **Cooperation** (extent to which the public, nonprofit groups, landowners, and others will contribute to the project)

- **Minimization of Greenhouse Gas Emissions** (project design and construction methods include measures to avoid or minimize greenhouse gas emissions to the extent feasible and consistent with the project objectives)
• Vulnerability from climate change impacts other than sea-level rise (project objectives, design and siting consider and address vulnerabilities from climate change impacts other than sea-level rise)

B. Prop 68 Project Requirements & Priorities
Prop 68 sets forth requirements and priorities for selecting projects that it will fund.

1. General
Some of the Prop 68 requirements and priorities vary by the chapter of the legislation, but the general requirements and priorities are summarized below.
- Priority must be given to projects that leverage private, federal, or local funding or produce the greatest public benefit.
- Prop 68 funds must be spent in a way that addresses the most critical statewide needs and priorities for public funding.
- Preference must be given to projects that include use of the California Conservation Corps or certified community conservation corps.
- Funds cannot be used to fulfill mitigation requirements for other projects.
- For urban recreation projects and habitat protection/restoration projects, projects that provide both benefits will be given favorable consideration.
- For park projects that could increase adjacent housing costs, priority should be given to projects that advance solutions to prevent displacement.
- Agencies shall seek to achieve the wildlife conservation objectives through projects on public lands or voluntary projects on private lands. Projects on private lands shall be evaluated based on the durability of the benefits created by the investment.

2. Diversity, Equity and Inclusion
Prop 68 directs agencies receiving funding, to the extent practicable, to "consider a range of actions" that derive from the Presidential Memorandum -Promoting Diversity and Inclusion in Our National Parks, National Forests, and Other Public Lands and Waters, January 12, 2017. These actions direct agencies to expand outreach efforts, create new partnerships and improve programs to increase access by diverse populations. These actions are consistent with the Conservancy’s Strategic Plan which identifies Environmental Equity and Justice as one of the global drivers of our work.

To the extent practicable, the Conservancy will seek to fund Prop 68 grants that:
- Create new partnerships with state, local, tribal, private, and nonprofit organizations to expand access for diverse populations. (PRC § 80001(b)(8)(C).)
- Identify and implement improvements to existing programs to increase visitation and access by diverse populations, particularly minority, low-income, and disabled populations and tribal communities. (PRC § 80001(b)(8)(D).)

Prop 68 includes provisions that allow for up to 5% of funds be available for community access projects to the extent permissible under the State General Obligation Bond Law.
and with the concurrence of the Department of Finance. Community access projects, include: transportation, physical activity programming, resource interpretation, education, multilingual translation, and communication related to water, parks, climate, coastal protection, and other outdoor pursuits. To the extent permitted, the Conservancy will use 5% of the funds available for Lower Cost Coastal Accommodations to fund community access projects related to that program, and 5% of the funds available for all Coastal Conservancy purposes to fund community access projects. If approved by the Department of Finance, the Conservancy will award these funds via the Conservancy’s existing annual Explore the Coast Grant Program.

3. Disadvantaged and Severely Disadvantaged Communities
Prop 68 requires that 15-20% of the funding in each chapter be spent on projects that serve severely disadvantaged communities (SDACs). An SDAC is defined as a community with a median household income less than 60% of the statewide average. The exact percentage that must be spent to serve SDACs varies by Chapter of Prop 68 (Public Resource Code, Division 45 Section 80008). Expenditures on projects serving SDACs will be tracked in the state bond expenditure database.

For the purpose of Prop 68, the Conservancy will define serving a severely disadvantaged community to include projects located in SDACs or projects within 1 mile of an SDAC. The Conservancy will also define serving a SDACs to include projects that are not located in a SDACs but that provide other direct benefits to SDAC residents, including training and workforce education, providing job opportunities, providing recreational amenities, increasing resilience to climate change, reducing flooding, and reducing pollution burden. The Conservancy will prioritize its technical assistance for projects that serve disadvantaged communities.

C. Eligible Grantees
Government agencies, federally recognized tribes and certain nonprofit organizations are eligible for funding. To be eligible, a nonprofit organization must:

- Be approved by the IRS as tax-exempt under Section 501(c)(3) of the Internal Revenue Code.
- The organization’s articles of incorporation must demonstrate that its purposes are consistent with Division 21 of the Public Resources Code, the Coastal Conservancy’s enabling legislation.

D. Project Eligibility
To be eligible for Prop 68 funding, projects must be consistent with the Conservancy’s enabling legislation, meet the Conservancy’s required project selection criteria, support the Conservancy’s Strategic Plan and be consistent with the applicable chapter of Prop 68.

Prop 68 funds must be spent consistent with the General Obligation Bond Law, Government Code Section 16727. In general, this means projects must entail the construction or
acquisition of capital assets and/or activities that are incidentally but directly related to construction or acquisition, such as planning, design and engineering.

III. Prop 68 Grant Application & Award Process

A. Overview
Funding from Prop 68 will be spent on grants and contracts consistent with the purposes of each Chapter. The Conservancy seeks to make efficient and effective use of the funds to maximize public benefits.

All Prop 68 grants must be authorized by the Conservancy board. The Conservancy board meets approximately 5 times a year in public meetings around the state. For most Prop 68 grants, the Conservancy will use an open solicitation pre-proposal process. Grant applicants will submit a short pre-proposal. Based on the review of the pre-proposal, applicants may be invited to submit full proposals. Pre-proposal applications will be accepted on a rolling basis.

A Request for Proposals (RFP) to be funded with Prop 68 will be posted on the Conservancy’s website and may be updated periodically. All grant application documents will be posted on the Conservancy website. Applications will be accepted on an ongoing basis. The Conservancy may announce specialized Requests for Proposals targeted for specific purposes or regions. These specialized RFPs will have application deadlines. The two Prop 68 allocations that require competitive grants will have periodic competitive grant rounds. The schedule and process for each will be developed as part of the grant guidelines for those programs, see Section IV below.

B. Pre-Application Consultation and Technical Assistance
For most Prop 68 grants, the Conservancy will use a pre-proposal process. Upon Conservancy review of the pre-proposal, applicants may request consultation with Conservancy staff whether or not they are invited to submit a full proposal.

For projects that align well with the Conservancy’s Strategic Plan goals and objectives and the purposes of Prop 68 but are not sufficiently developed to be awarded a Conservancy grant, the Conservancy may provide technical assistance to assist applicants in further developing their project concepts. Technical assistance will be prioritized for projects that serve disadvantaged communities.

C. Application Review and Evaluation
Applications will be reviewed and evaluated based on how well the proposed project advances objectives in the Conservancy’s Strategic Plan, meets its project selection criteria, and meets the priorities identified in Prop 68. To be funded with Prop 68, projects must be
consistent with both the Conservancy’s enabling legislation and the applicable Chapter of Prop 68.

D. Grant Awards
Prop 68 grants will be awarded when authorized by the Conservancy Board. The Conservancy Board meets approximately 5 times a year in public meetings around the state. Recommended awards will be posted on the Conservancy’s website at least 10 days prior to the public meeting. The staff recommendation to the Conservancy will document how the project meets all of the required criteria included in these guidelines.

A grant agreement will be the binding legal agreement between the Conservancy and its grantee. Expenses incurred before the Conservancy grant agreement is executed are typically not reimbursable. The agreement will include requirements of the grantee and information about how and when funds can be disbursed. To the extent practicable, the grant agreement may require grantees to comply with some of the provisions of Prop 68, including signage acknowledging Prop 68 funding and measurement of greenhouse gas emission reductions or carbon sequestration.

IV. Prop 68 Competitive Grant Programs
Two allocations to the Conservancy in Prop 68 require competitive grant rounds. These are the allocations in Chapter 10: Climate Preparedness, Habitat Resiliency, Resource Enhancement, and Innovation. This includes funding for the Conservancy for San Francisco Bay Area Conservancy Program climate adaptation projects and for conservation of West Coyote Hills.

Listed below are the steps required to develop solicitation and evaluation guidelines, and a proposed schedule for the process:

<table>
<thead>
<tr>
<th>Step</th>
<th>Schedule</th>
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<tbody>
<tr>
<td>Draft project solicitation and evaluation guidelines that include monitoring and reporting requirements.</td>
<td>Fall 2018</td>
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<tr>
<td>Provide guidelines to California Natural Resources agency for review</td>
<td>Fall 2018</td>
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<tr>
<td>Post draft solicitation and evaluation guidelines on the Conservancy’s website for at least 30 days before the public meetings.</td>
<td>Winter 2018</td>
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<tr>
<td>Conduct three public meetings to consider public comments</td>
<td>Spring 2019</td>
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<tr>
<td>Adopt final solicitation and evaluation guidelines</td>
<td>May or August 2019</td>
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