

COASTAL CONSERVANCY

Staff Recommendation
June 25, 2014

To: Members of the Coastal Conservancy
From: Sam Schuchat, Executive Officer
Mary Small, Deputy Executive Officer
CC: Oversight Legislators
Re: Adoption of Proposition 1 Grant Program Guidelines

RECOMMENDED ACTION:

Adoption of Proposition 1 Grant Program Guidelines for solicitation, review and selection of applications for Conservancy grants of Proposition 1 funds.

EXHIBITS

- Exhibit 1: [Coastal Conservancy Proposition 1 Grant Program Guidelines](#)
Exhibit 2: [Draft Revised Grant Application Form](#)
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RESOLUTION AND FINDINGS:

Staff recommends that the State Coastal Conservancy adopt the following resolution pursuant to Sections 31000 et seq. of the Public Resources Code:

“The State Coastal Conservancy hereby adopts the Proposition 1 Grant Program Guidelines attached to the accompanying staff recommendation as Exhibit 1, pursuant to Water Code Section 79706(a).”

Staff further recommends that the Conservancy adopt the following findings:

“Based on the accompanying staff recommendation and its attached exhibits, the Conservancy hereby finds that:

1. The Proposition 1 Grant Program Guidelines are consistent with Conservancy’s statutory responsibilities under Division 21 of the California Public Resources Code.
2. The Proposition 1 Grant Program Guidelines are consistent with Division 26.7 of

PROPOSITION 1 GRANT PROGRAM GUIDELINES

the California Water Code.”

STAFF RECOMMENDATION:

Background

The Water Quality, Supply, and Infrastructure Improvement Act of 2014 (“Prop 1”) was approved by voters in November 2014. Prop 1 is codified as Division 26.7 of the Water Code. The purposes of Prop 1 include generating funding to address water quality, water supply, and watershed protection and restoration. Chapter 6 of Prop 1 allocates \$100.5 million to the Conservancy for competitive grants for multi-benefit ecosystem and watershed protection and restoration projects. (Water Code Section 79731(j)).

The proposed Proposition 1 Grant Program Guidelines (“Prop 1 Guidelines”) establish the process and criteria that the Conservancy will use to solicit grant applications, evaluate applications, and award grants, pursuant to Prop 1. All projects funded by the Conservancy with Prop 1 funds must be consistent with the Conservancy’s enabling legislation at Division 21 of the Public Resources Code, its Strategic Plan and its existing project selection criteria. The Prop 1 Guidelines identify the additional requirements applicable to Prop 1 funded projects and the project evaluation process for those projects.

The Conservancy has updated its 2013 Strategic Plan to identify programmatic priorities for its Prop 1 funding. The Strategic Plan Update will also be considered for approval by the Conservancy at its June 25, 2015 meeting.

Grant Program Guidelines

Prop 1 requires each agency that receives an appropriation of funding pursuant to Prop 1 for competitive grants to develop and adopt project solicitation and evaluation criteria guidelines. (Water Code Section 79706(a)). The adoption of the guidelines is exempt from the state law governing adoption of regulations. (Water Code Section 79705).

The Conservancy developed the Prop 1 Guidelines (Exhibit 1) in accordance with the general provisions of Chapter 4 of Prop 1 and with Chapter 6 of Prop 1, which allocates funding to the Conservancy. The Prop 1 Guidelines describe the purposes of the Prop 1 funding, project eligibility, eligible grantees and grant criteria. The Prop 1 Guidelines explain the grant application process and the Conservancy’s grant timeline. The Prop 1 Guidelines explain the scoring criteria and the evaluation process that will be used to select Prop 1 grants.

Under the Prop 1 Guidelines, the Conservancy will solicit Prop 1 proposals up to four times a year. It is envisioned that some of these project solicitations will be open to all types of projects and some solicitation periods may target specific types of projects. The grant application form may be tailored to the specific objectives of the solicitation. A general version of the Conservancy’s grant application form is attached as Exhibit 2.

PROPOSITION 1 GRANT PROGRAM GUIDELINES

Public Input and Revision

Draft Prop 1 Guidelines were posted on the Conservancy's website in early February 2015 and public comments were accepted until March 23rd. As required by Prop 1, Conservancy staff held three public workshops on the grant guidelines: March 11th in Sacramento, March 19th in Oakland, and March 20th in Los Angeles. The March 19th meeting was also a webcast conference call. Eleven people attended the Sacramento hearing, forty people attended the Oakland meeting (including webinar) and twenty-three people attended the meeting in Los Angeles. At each meeting the Conservancy made a brief presentation on the draft guidelines, answered questions and listened to public comments. The Conservancy received written comments (letters or emails) from 56 organizations and individuals. A complete set of written comments is available on the Conservancy's [website](#).

The Conservancy considered the draft Prop 1 Guidelines and the public input at its March 26, 2015 meeting and provided direction to staff to revise the draft guidelines. Based on this direction several revisions were incorporated into the final Prop 1 Guidelines. These revisions included:

- Revisions to the scoring system to provide more credit to multi-benefit projects;
- Changes to the definition of disadvantaged community to match the definition in Prop 1;
- Addition of a requirement to consult with the California Conservation Corps and certified Local Corps for ecosystem restoration projects ;
- Addition of a provision making pre-proposal Conservancy staff assistance available to all applicants;
- Clarification that land acquisition is an eligible project; and
- Addition of public utilities, mutual water companies and state-listed tribes as eligible grantees.

The proposed final Prop 1 Guidelines were submitted to the California Natural Resources Agency on May 15th, 2015.

The Governor's Budget for FY 15/16 includes an appropriation of \$15 million of Prop 1 funds to the Conservancy. The Coastal Conservancy will hold its first Prop 1 grant solicitation after the Prop 1 Guidelines are adopted and an appropriation of Prop 1 funds is enacted. It is anticipated that the first solicitation period will be August – September 2015.

COMPLIANCE WITH CEQA

Under the California Environmental Quality Act (CEQA), a "project" consists of an action that can cause either a direct physical change or a reasonably foreseeable indirect change in the environment; and that is an activity directly undertaken or funded by a public agency, or an activity that involves the issuance of a permit or other entitlement. (Public Resources Code Section 21065). The CEQA Guidelines further define the term

PROPOSITION 1 GRANT PROGRAM GUIDELINES

“project” and confirm that it does not include administrative activities of government that will not result in direct or indirect physical changes in the environment. (14 Cal Code Regs. Section 15378(b)(5)). Adoption of the proposed grant program guidelines is an administrative activity that does not have the potential to cause a physical change to the environment. Accordingly, adoption of the Prop 1 Guidelines does not constitute a project for purposes of CEQA.