



Memo

Date: January 18, 2018
To: State Coastal Conservancy Board
From: Sam Schuchat, Executive Officer
Mary Small, Deputy Executive Officer
CC: Oversight Members
RE: Coastal Conservancy Proposition 1 Grant Program Report

This report provides the Conservancy Board with an update on overall implementation of the Proposition 1 grant program.

The Water Quality, Supply, and Infrastructure Improvement Act of 2014 (“Prop 1”) was approved by voters in November 2014. Chapter 6 of Prop 1, includes \$100.5 million to be administered by the State Coastal Conservancy (Conservancy). The Conservancy Board approved the Conservancy’s Prop 1 Grant Guidelines in February 2015 and the Conservancy received its first appropriation from Prop 1 on July 1, 2015.

The Conservancy has completed seven grant rounds, is evaluating the eighth round, and will receive applications for the ninth round on March 30, 2018. The Conservancy holds three grant rounds each year; some are statewide and general, and some of the rounds have a specific geographic or programmatic focus. Here is a summary of the all of the grant rounds and the focus of each.

Round	Eligible Projects	Application Deadline
Round 1	All Prop 1 Priorities	Sept. 30, 2015
Round 2	Anadromous Fish Projects	Dec. 31, 2015
Round 3	All Prop 1 Priorities	Mar. 31, 2016
Round 4	Urban Greening Projects in Los Angeles Co.	June 30, 2016
Round 5	All Prop 1 Priorities	Oct. 3, 2016
Round 6	Urban Greening Projects in SF Bay Area	Feb. 17, 2017
Round 7	All Prop 1 Priorities	May 31, 2017
Round 8	All Prop 1 Priorities	Oct. 31, 2017
Round 9	Central Coast Projects	Mar. 30, 2018

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The Conservancy has received 310 applications requesting more than \$220 million dollars. Based on review of the applications, staff has recommended funding about \$48.3 million in grants to 90 projects.

Grants are awarded when considered and approved by the Conservancy Board. To date, the Conservancy Board has awarded \$34.9 million in grants. The Conservancy will consider awarding four more projects at this meeting totalling another \$1.9 million. Projects are brought to the Conservancy for consideration when CEQA is complete and the projects are ready. The table below summarizes the amounts recommended and awarded from each round.

Round	Applications	Projects Recom'd	Total Requested	Recommended Funding Based on Review	Awarded by Conservancy Board	on January 2018 Agenda
1	54	10	\$57,917,855	\$4,865,749	\$4,865,749	\$0
2	33	12	\$13,024,595	\$2,424,691	\$2,424,691	\$0
3	62	19	\$38,166,689	\$11,003,987	\$10,839,825	\$0
4	19	12	\$21,573,849	\$11,610,266	\$9,960,366	\$1,180,000
5	31	10	\$18,351,850	\$4,150,865	\$1,694,958	\$0
6	14	7	\$10,654,512	\$4,038,599	\$2,555,141	\$0
7	64	20	\$49,364,671	\$10,160,616	\$2,149,602	\$749,385
8	33		\$13,626,071	under review		
	310	90	\$222,680,093	\$48,254,773	\$34,490,332	\$1,929,385

The allocation of recommended funding between the Conservancy's four regions is shown in the table below. The fewest projects have been recommended in the central coast region, so the current grant round is focused on that region. The most funding has been awarded in the urban regions of southern California and the San Francisco Bay Area.

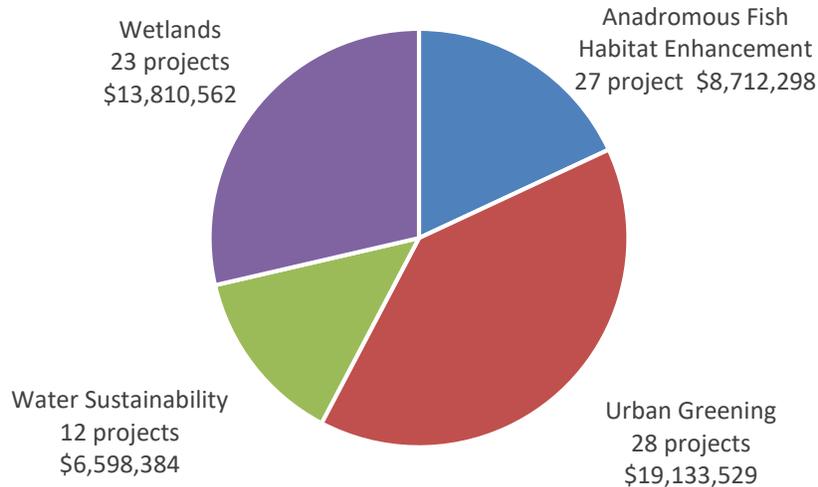
Region	Amount Recommended
Central Coast	\$ 5,205,965
North Coast	\$ 10,699,152
San Francisco Bay Area	\$ 14,538,816
Southern California	\$ 17,810,840
Total	\$ 48,254,733

Coastal Conservancy Prop 1 Priorities

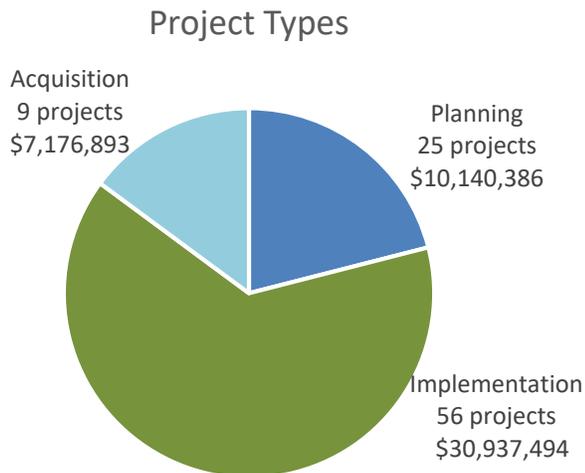
In June 2015, the Conservancy adopted four priorities for Prop 1 expenditure: Wetland Restoration, Urban Greening, Anadromous Fish Habitat Enhancement, and Water Sustainability. These priorities incorporate the overlap between the purposes of Chapter 6 of Prop 1, the programmatic authorities in the Conservancy's enabling legislation, and priorities in existing

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state plans such as the Water Action Plan. In addition, we considered priority issues within our jurisdiction and consideration of what sorts of projects are most likely to achieve multiple benefits, serve disadvantaged communities, and result in quantifiable outcomes. A higher percentage of the funding has been recommended for urban greening and wetland restoration projects. The Conservancy also prioritized multi-benefit projects for its Proposition 1 funds. Many proposed projects include more than one priority but are classified with one for this report.



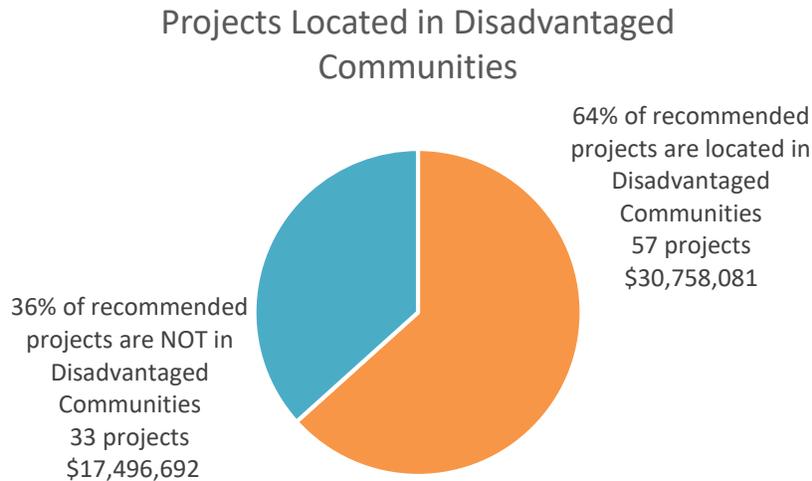
The Conservancy staff have recommended funding 56 implementation projects, 25 planning (or permitting) projects, and 9 acquisitions. The chart below shows the allocation of funding between project types. While acquisitions are eligible for funding under Proposition 1, they have to have a clear watershed benefit to be competitive.



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Disadvantaged Communities

The Conservancy has prioritized funding projects located in or benefitting disadvantaged communities. Proposition 1 defines a disadvantaged community as “a community with an annual median household income that is less than 80 percent of the statewide annual median household income”. Using that definition and project locations, sixty-four percent of the 90 projects recommended for funding are located in (or partially within) a disadvantaged community as defined in Proposition 1. The same percentage applies to the amount of funding.



Matching Funds

The Conservancy has also continued to leverage its funds with other funding sources. The Conservancy’s Prop 1 Guidelines distinguish between matching funds from other state sources and non-state matching funds. For purposes of scoring we do not count other state funds as match, however the support from multiple state programs may show leverage and widespread support for a project. In aggregate, the \$ 48.3 million recommended for Prop 1 funding has been matched with \$86 million in non-state funding and an additional \$111 million of other state funds. In sum, the Conservancy continues to leverage its funding significantly; for these initial Prop 1 projects the total leverage was about \$4 of matching funds for every \$1 of Conservancy funds. Matching funds vary enormously depending on the project. There is an urban greening project in Richmond that has no match, while in the recent South Bay Salt Pond authorization include more than \$22 million in matching funds.

Coordination with Other Proposition 1 Funders

Chapter 6 of Prop 1 provides funding to several agencies to support related project purposes. The Conservancy is actively coordinating with these agencies to ensure that funds are directed to

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highest priority projects and further state plans such as the California Water Action Plan. Conservancy staff continues to meet regularly with the California Department of Fish and Wildlife (DFW), the Wildlife Conservation Board, the California Natural Resources Agency, the Ocean Protection Council and some other state conservancies to coordinate Prop 1 implementation. Conservancy staff have responded to multiple requests for information and examples from our grant programs to assist agencies with less experience making grants. Conservancy staff helped DFW with a series of workshops in southern California, our staff participate on a DFW technical review panel and staff from DFW have helped score some of the Conservancy's Prop 1 proposals.

Because the Conservancy is a project implementation agency, our staff have also applied for funding from other Prop 1 agencies to implement our projects. The Conservancy has received been awarded \$10.8 million directly. Our staff have also helped several partners successfully apply for grants from DFW and OPC.