

COASTAL CONSERVANCY

Staff Recommendation

August 22, 2019

To: Members of the Coastal Conservancy

From: Sam Schuchat, Executive Officer
Kelly Malinowski, San Francisco Bay Program

CC: Oversight Legislators

Re: Adoption of Grant Program Guidelines for the Proposition 68 San Francisco Bay Area Conservancy Program Climate Adaptation Funds

RECOMMENDED ACTION:

Adoption of grant program guidelines for the solicitation, evaluation, and award of grants using Proposition 68 funds designated for climate adaptation projects that are consistent with the Coastal Conservancy's San Francisco Bay Area Conservancy Program.

EXHIBITS

Exhibit 1: [Coastal Conservancy Proposition 68 SF Bay Climate Funds Grant Program Guidelines](#)

Exhibit 2: [Public Comments on Draft Guidelines](#)

Exhibit 3: [Summary of Comments and Responses](#)

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 Grant Program Guidelines for the State Coastal Conservancy Proposition 68 San Francisco Bay Area Conservancy Program– Climate Adaptation Funds as shown in Exhibit 1 to the accompanying staff recommendation.”

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 Grant Program Guidelines for the State Coastal Conservancy Proposition 68 San Francisco Bay Area Conservancy Program– Climate Adaptation Funds as shown in Exhibit 1 to the accompanying staff report are consistent with Conservancy’s statutory responsibilities under Division 21 of the California Public Resources Code.
2. The Grant Program Guidelines for the State Coastal Conservancy Proposition 68 San Francisco Bay Area Conservancy Program– Climate Adaptation Funds as shown in Exhibit 1 to the accompanying staff report are consistent with Division 45 of the California Public Resources Code.”

STAFF RECOMMENDATION:

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, Sections 18000-18173, of the California Public Resources Code.

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 Program – Climate Adaptation \$14 million**
- West Coyote Hills \$4.8 million

In December 2018, the Conservancy adopted grant guidelines for all of its Proposition 68 funds except for the San Francisco Bay Area Conservancy Program Climate Adaptation (“Prop 68 SF Bay Climate Funds”) and the West Coyote Hills.

Funds for those two allocations are required to be administered through competitive grant rounds. Prop 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.

These guidelines for the Prop 68 SF Bay Climate Funds were developed in accordance with the requirements of Prop 68. The draft guidelines were submitted to the California Natural Resources Agency for approval prior to being posted for public comment. The draft guidelines were posted from April 16, 2019 until July 19, 2019. Three public

meetings were held to receive comments on the draft guidelines. Four comment letters or emails were received (Exhibit 2.) Comments requested expanding our goals to specifically include urban natural space, to explicitly call out waterways of the San Francisco Bay as eligible for funds, to utilize a tool for measuring multiple benefits and specifically water benefits, to clarify any minimum or maximum award amounts and any geographic distribution, and to clarify DAC (disadvantaged community) and SDAC (severely disadvantaged community) benefits. Several comments were received to clarify monitoring requirements, the Conservancy's indirect cost rate limit, the timeline for granting funds, and other questions related to the Conservancy's grant administration process and procedure. Additionally, several comments asked for more clarity around our rolling pre-proposals and how this relates to a Request for Proposals. A summary of substantive comments and our responses is attached as Exhibit 3.

The guidelines explain the process and criteria that the Conservancy will use to solicit applications, evaluate proposals, and award grants with Prop 68 SF Bay Climate Funds under the Conservancy's programs.

The proposed final guidelines are attached as Exhibit 1 and described briefly below.

Application Process

For most Prop 68 SF Bay Climate Funds grants, the Conservancy will use an open solicitation pre-proposal grant application process. Grant applicants will submit a short pre-proposal grant application. Based on the review of the pre-proposal grant application, applicants may be invited to submit full proposal grant applications. Pre-proposal grant applications will be accepted on a rolling basis. All grant application proposal documents will be posted on the Conservancy website. The Conservancy may issue periodic Requests for Proposals to be funded with Prop 68 SF Bay Climate Funds. All Prop 68 SF Bay Climate Funds grants must be authorized by the Conservancy. The Conservancy meets approximately 5 times a year in public meetings around the state.

Project Priorities

The priorities for the Prop 68 SF Bay Climate Funds will be to support projects to advance the goals of the San Francisco Bay Area Conservancy Program : 1) improving public access; 2) conserving and enhancing habitat and open space resources of regional importance; 3) implementing policies of the Coastal Act, San Francisco Bay Plan, and other adopted plans; and 4) providing recreational and educational opportunities in open space and natural areas accessible to urban populations. Projects also need to achieve one or more of the purposes of the Climate Ready Program:

- Improve a community's ability to adapt to the unavoidable impacts of climate change, including sea level rise, extreme heat, wildfire, drought and flooding.
- Use nature-based climate adaptation that provide co-benefits for people, wildlife, and the economy.
- Address the needs of low-income and other underserved coastal populations that will be highly impacted by climate change.
- Promote on-the-ground demonstration projects that implement innovative approaches or enhance understanding of effective coastal management strategies and will

potentially lead to broader change to policies, regulations, or to duplicating the effort elsewhere.

- Promote collaboration among various stakeholders and multiple sectors. Establish and expand non-traditional alliances to accelerate effective problem-solving between and among public and private resource managers, scientists, and decision-makers.
- Reduce GHG emissions or enhance the ability of natural systems to sequester greenhouse gases.
- Incorporate outreach or educational component.

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, build 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. Consistent with these guidelines, the Conservancy will seek to undertake, and support grantees in undertaking, these actions:

- Conducting active outreach to diverse populations, particularly minority, low-income, and disabled populations and tribal communities, to increase awareness within those communities and the public generally about specific programs and opportunities.
- Mentoring new environmental, outdoor recreation, and conservation leaders to increase diverse representation across these areas.
- Creating new partnerships with state, local, tribal, private, and nonprofit organizations to expand access for diverse populations.
- Expanding the use of multilingual and culturally appropriate materials in public communications and educational strategies, including through social media strategies, as appropriate, that target diverse populations.
- Developing or expanding coordinated efforts to promote youth engagement and empowerment, including fostering new partnerships with diversity-serving and youth-serving organizations, urban areas, and programs.

Severely Disadvantaged Communities

Prop 68 requires that 15% of the funding in Chapter 10, which includes the Prop 68 SF Bay Climate Funds, be spent on projects that serve severely disadvantaged communities, defined as a community with a median household income less than 60% of the statewide average. 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, or within 1 mile of, an SDAC. The Conservancy will also define serving an SDAC to include projects that are not

located in, or within a mile of, an SDAC but that provide other direct benefits to SDAC residents, including training and workforce education, job opportunities, recreational amenities, educational and recreation opportunities, increased resilience to climate change, reduced flooding, and reduced pollution burden. The Conservancy will prioritize its technical assistance for projects that serve disadvantaged communities.

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 “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 68 Guidelines does not constitute a project for purposes of CEQA.