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Proposition 1 Grant Program Approved Project Updates

Staff Report

APPROVED PROJECT UPDATE

At the May 25, 2016 and June 27, 2016 Board meetings, the Delta Conservancy's Board approved, conditionally approved, or reserved funding for nine projects that advance ecosystem restoration, water quality, and agricultural sustainability in the Delta. These projects have requested approximately \$6.3 million in grant funding.

Each of the nine projects has been assigned a Conservancy staff member who is acting as the grant manager for that grant. Grant managers are responsible for working with grantees to gather all of the required information needed prior to drafting a grant agreement, and coordinating final approval by the Board, if necessary. Once the required information has been gathered, the grant manager drafts the scope of work and budget for the grant agreement, then hands off the grant agreement to the administrative team to review and assemble the complete grant agreement, and to route it for execution. Complete grant agreements will first be sent to the grantee for their signature, then to the Conservancy's legal counsel for review, and finally executed by the Conservancy's Executive Officer. The expected time to draft, review, route, and execute a grant agreement is approximately six to eight weeks, although this time may vary depending upon the length of time the grantee requires to review and execute the agreement.

The attached tracking sheet lists all of the 2015-2016 projects for which the Board approved, conditionally approved, or reserved funding. Project information, Board action, and comments/notes are included for all projects. For conditionally approved projects, the tracking sheet also lists the items required for full approval, the date by which those items are required, and the date that they were received (if applicable). For all projects for which funding has been reserved, the Conservancy must make Responsible Agency findings under CEQA. As grant agreements are executed, this information will be filled out, as well.

At this time, Conservancy staff is working with all conditionally approved and reserved funding projects to ensure that they move forward within the timeframes initially approved by the Board. Three draft grant agreements are currently being routed for execution:

1. Fish Friendly Farming Certification Program for the Sacramento-San Joaquin Delta (Prop 1-Y1-2015-005)
2. Lower Marsh and Sand Creek Watershed Riparian Restoration Planning (Prop 1-Y1-2015-019)
3. Habitat Improvement for Swainson's Hawk at Elliott Ranch (Prop 1-Y1-2015-014)

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One grant agreement is under development and will be routed by the end of September:

1. Sherman Island Wetland Restoration Project Phase III (Prop 1-Y1-2015-008)

Two projects have satisfied the conditions of their approval and grant agreements are being prepared:

1. Paradise Cut Conservation and Flood Management Plan (Prop 1-Y1-2015-012)
2. Wildlife Corridors for Flood Escape on the Yolo Bypass Wildlife Area (Prop 1-Y1-2015-016)

The CEQA findings for the Three Creeks Parkway Restoration Project (Prop 1-Y1-2015-009) will be brought before the Board at the November meeting. The remaining two projects are on track to meet their deadlines for satisfying conditional approvals.

2016-2017 GRANT CYCLE UPDATE

On September 1st, the Conservancy opened its concept proposal solicitation for the 2016-2017 fiscal year. Concept proposals are due on September 30th and will be brought before the Board at the November Board meeting. Staff has proposed an outline for the concept proposal recommendations to the Board. The outline is attached to this report.

On September 8th, the Conservancy hosted a public workshop for those interested in applying to the grant program. In addition to providing information about the Conservancy's current grant cycle, staff invited presentations on Delta Plan consistency (delivered by the Delta Stewardship Council), adaptive management (delivered by the Delta Science Program), and monitoring (delivered by the State Water Resources Control Board). Applicants to the previous grant cycle struggled to address these three topics in their proposals. The workshop's supplementary presentations served to educate applicants about topics of importance for our grant program, and for Delta water-related projects generally. Fifteen people attended or called into the workshop. Several attendees asked questions, which have been posted to the [Proposition 1 Questions and Answers](#) page on the Conservancy's website.

BACKGROUND

The Conservancy's Proposition 1 Ecosystem Restoration and Water Quality Grant Program is focused on restoring Delta ecosystems, improving water quality, and enhancing agricultural sustainability. The Grant Program identifies projects to protect and restore California rivers, lakes, streams, and watersheds that may be funded with Prop. 1 funding (Sec. 79732 *et seq*). Both Prop. 1 and the Conservancy's enabling legislation emphasize focusing on projects that use public lands and that maximize "voluntary landowner participation in projects that provide measurable and long-lasting habitat or species improvements in the Delta."

During the 2015-2016 fiscal year, the Conservancy ran its first grant cycle for the Prop 1 Grant Program. The Conservancy anticipates administering at least one grant cycle each fiscal year for five

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years. The Grant Program is a two-part competitive program, with a concept proposal solicitation open to the public, and a full proposal solicitation open to qualifying concept proposal applicants. Full proposals are subject to a rigorous scoring and evaluation process by both staff and an external review panel, and are recommended based upon score and funding availability.

BUDGET

Proposition 1 identified \$50 million for the Delta Conservancy “for competitive grants for multibenefit ecosystem and watershed protection and restoration projects in accordance with statewide priorities (Sec. 79730 and 79731).” For the 2015-2016 fiscal year, \$9.3 million was allocated to the Conservancy for the Ecosystem Restoration and Water Quality grant program. For the 2016-2017 fiscal year, \$10 million will be available for the grant program.

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2016-17 Concept Proposal Recommendation Outline

Project Title			
Applicant			
Project Number		Category	
County		Funding Request	\$
Score		Total Project Cost	\$

Project Description:

This should be a high level description that explains the project's objectives, and the specific components that the Conservancy is being asked to fund. Limit to one, short paragraph.

Consistency with State Priorities:

This should be a high level explanation of how the project is consistent with Proposition 1, the California Water Action Plan, the Conservancy's enabling legislation, and the Delta Plan. Describe why staff believes the concept is sound. Limit to one, short paragraph.