

Meeting Date: April 26, 2017

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## ***Proposition 1 Grant Program Approved Projects and Current Solicitation Updates***

### **Staff Report**

#### **CURRENT SOLICITATION UPDATE**

The Delta Conservancy received five full proposals for the 2016-2017 fiscal year solicitation of the Ecosystem Restoration and Water Quality Grant Program (Grant Program). In total, applicants requested \$6.4 million. Staff recommends that the Board conditionally approve or reserve funding for four proposals that, in total, have requested approximately \$4.4 million.

#### **APPROVED PROJECT UPDATE**

For the 2015-2016 grant cycle, the Board awarded or reserved funding for eight projects with a total funding request of \$5.9 million. To date, three grant agreements have been fully executed, one is being routed for signature, three are being drafted, and one is finishing the CEQA process. A brief update on each project is provided below:

**Project:** Lower Marsh and Sand Creek Watershed Riparian Restoration Planning Project

**Amount Awarded:** \$73,493

**Conservancy ID:** Prop 1-Y1-2015-019

**Grantee:** American Rivers

**Overview:** Improve restoration project efficiency within the Marsh/Sand Creek watershed through development of a programmatic CEQA document and permit, including stormwater planning.

**Board Action/Deadline:** Approved

**Conditions/Status:** None

**Grant Agreement Status:** Active as of 10/19/16

**Update:** In January of 2017, the grantee submitted their first quarterly report and invoice. The grantee met with various partners to begin planning the programmatic CEQA document for the Marsh and Sand Creek watersheds and began discussions about stormwater treatment design and revision of Contra Costa County's Stormwater 3C Handbook.

**Project:** Fish Friendly Farming Certification Program for the Sacramento-San Joaquin Delta (Planning)

**Amount Awarded:** \$89,450

**Conservancy ID:** Prop 1-Y1-2015-005

**Grantee:** California Land Stewardship Institute

**Overview:** Develop a program for working with farmers to improve water quality, which is specific to the crops grown and water quality concerns in Solano and Yolo counties.

**Board Action/Deadline:** Approved

**Conditions/Status:** None

**Grant Agreement Status:** Active as of 1/9/17

**Update:** The first progress report and invoice is due by April 30, 2017.

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**Project:** Wildlife Corridors for Flood Escape on the Yolo Bypass Wildlife Area Project

**Amount Awarded:** \$688,195.64

**Conservancy ID:** Prop 1-Y1-2015-016

**Grantee:** Yolo Resource Conservation District

**Overview:** Restore up to 5 miles (22 acres) of new, floodway-compatible wildlife and pollinator habitat, providing an exit and transit corridor for wildlife during floods.

**Board Action/Deadline:** Conditional Approval – September 2016

**Conditions/Status:**

1. Verification of Adequate Water Rights – completed, 8/23/2016
2. Landowner Agreement – completed, 3/9/2017
3. Habitat Maintained for 15 Years - required as a condition of the landowner agreement

**Grant Agreement Status:** Active as of 1/24/17

**Update:** The first progress report and invoice is due by April 30, 2017. The project has completed its landowner access agreement with the landowner, the California Department of Fish and Wildlife, meeting the first condition of the grant agreement.

**Project:** Paradise Cut Conservation and Flood Management Planning Project

**Amount Awarded:** \$99,924

**Conservancy ID:** Prop 1-Y1-2015-012

**Grantee:** San Joaquin Resource Conservation District

**Overview:** Develop a conservation and flood management plan for a new flood bypass at Paradise Cut.

**Board Action/Deadline:** Conditional Approval – July 2016

**Conditions/Status:**

1. Monitoring Plan – completed, 7/27/2016

**Grant Agreement Status:** Grant Agreement Pending

**Update:** The grant agreement is expected to be executed by the end of April.

**Project:** Sherman Island Wetland Restoration Project Phase III (Planning)

**Amount Awarded:** \$100,000

**Conservancy ID:** Prop 1-Y1-2015-008

**Grantee:** Ducks Unlimited

**Overview:** Plan and design for the restoration of 1600 acres of emergent wetlands.

**Board Action/Deadline:** Conditional Approval – July 2016

**Conditions/Status:**

1. Bylaws – complete, 6/7/2016

**Grant Agreement Status:** Grant Agreement Pending

**Update:** Staff is working with the grantee to clarify budget details.

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**Project:** Three Creeks Parkway Restoration Project

**Amount Awarded:** \$836,409

**Conservancy ID:** Prop 1-Y1-2015-009

**Grantee:** American Rivers

**Overview:** Convert denuded flood control channel at the confluence of Marsh, Sand, and Deer Creeks into a healthy stream corridor.

**Board Action/Deadline:** Reservation of Funds and Conditional Approval – September 2016

**Conditions/Status:**

1. Completion of CEQA and approval of Responsible Agency Findings – complete, 11/21/2016
2. Verification of Adequate Water Rights – complete, 10/17/2016
3. Landowner Agreement – required as a condition of the agreement
4. Habitat Maintained for 15 Years – required as a condition of the landowner agreement

**Grant Agreement Status:** Grant Agreement Pending

**Update:** Staff is preparing the draft grant agreement for Legal review.

**Project:** Paradise Cut Flood and Conservation Easement Acquisition Project

**Amount Awarded:** \$2,000,000

**Conservancy ID:** Prop 1-Y1-2015-010

**Grantee:** San Joaquin Resource Conservation District

**Overview:** Purchase flood and conservation easements to protect agriculture for Swainson's Hawk and to protect the opportunity to build a new flood bypass at Paradise Cut in the future.

**Board Action/Deadline:** Reservation of Funds and Conditional Approval – March 2017

**Conditions/Status:**

1. Completion of CEQA and approval by Board – complete, 3/22/2017
2. Completion of acquisition checklist requirement – complete, 3/6/2017

**Grant Agreement Status:** Grant Agreement Pending

**Update:** The grantee is working on the next requirement in the acquisition checklist, securing a Board resolution to accept the grant.

**Project:** Yolo Bypass Wildlife Area Habitat and Drainage Improvement Project

**Amount Awarded:** \$2,000,000

**Conservancy ID:** Prop 1-Y1-2015-003

**Grantee:** Ducks Unlimited

**Overview:** Implement habitat and working landscape enhancements in the Yolo Bypass Wildlife Area.

**Board Action/Deadline:** Reservation of Funds and Conditional Approval – March 2017

**Conditions/Status:**

1. Completion of CEQA and approval of Responsible Agency Findings - incomplete
2. Verification of Adequate Water Rights - incomplete
3. Landowner Agreement – required as a condition of the agreement
4. Habitat Maintained for 15 Years – required as a condition of the landowner agreement
5. Bylaws – complete, 6/7/2016

**Grant Agreement Status:** Funding Reserved

**Update:** The grantee is completing the CEQA process. This project will come before the Board in July.

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The tracking sheet included in this agenda item lists all of the 2015-2016 projects for which the Board approved, conditionally approved, or reserved funding. Each of the eight projects has an assigned grant project manager. Grant project managers work with grantees to gather all of the required information needed prior to drafting a grant agreement, and they draft the scope of work and budget for the grant agreement. The Conservancy's administrative team assembles the complete grant agreement and routes it for execution. Complete grant agreements are sent first to the Conservancy's legal counsel for review, then to the grantee for signature, and finally to the Conservancy's Executive Officer for execution.

**BACKGROUND**

The Conservancy's Proposition 1 Ecosystem Restoration and Water Quality Grant Program is focused on restoring and enhancing Delta ecosystems, improving water quality, and enhancing water-related agricultural sustainability. The Grant Program identifies projects to protect and restore California rivers, lakes, streams, and watersheds that may be funded with Proposition 1 funding (Sec. 79732 et seq). The Conservancy anticipates administering at least one grant cycle each fiscal year between 2015 and 2020. The Grant Program is a competitive, two-step process, requiring both a concept proposal and a full proposal. 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 is available for the grant program.

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