

Meeting Date: May 25, 2016

Page 1



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Request for approval of proposals for the Proposition 1 Ecosystem Restoration and Water Quality Grant Program

Staff Report

PROGRAM UPDATE

During the 2015-2016 fiscal year, the Delta Conservancy ran its first grant cycle for the Proposition 1 Ecosystem Restoration and Water Quality Grant Program (Grant Program). The Conservancy received 13 full proposals by the close of the full proposal solicitation period on March 15, 2016. Once received, proposals went through a two-part review process to assess their administrative and technical qualifications. Delta Conservancy staff conducted an administrative review of proposals to ensure that they were eligible, complete, and consistent; this process included verifying all project sites by making site visits. As part of the administrative review, Conservancy legal counsel reviewed all proposals. To meet the requirements specified in the Grant Guidelines, Conservancy staff notified over 50 local agencies and districts about projects within their jurisdiction, providing them the opportunity to comment on projects.

The overall merit of the proposals was evaluated based on 13 evaluation criteria (adopted by the Board on June 25, 2015), and scored based on a point scale totaling 100 points. Staff and professional reviewers evaluated proposals based on the following:

- Project Description and Organizational Capacity (1 criterion)
- State Priorities/ Project Benefits (3 criteria)
- Readiness (1 criterion)
- Local support (3 criteria)
- Funding: Cost Share and Leveraging (2 criteria)
- Scientific Merit and Performance Measures (3 criteria)

Full proposals were evaluated and scored by Conservancy staff and a professional review panel consisting of five State and federal agencies: California Department of Fish and Wildlife, Delta Protection Commission, Department of Water Resources, U.S. Fish and Wildlife Service, and National Oceanic and Atmospheric Administration. External reviewers evaluated only the proposals and criteria relevant to their expertise. Conservancy staff compiled internal and external scores, and met with each professional review agency to discuss scoring discrepancies (e.g., outliers and high variability). All scores have been averaged to determine a final score for each proposal. Only proposals scoring 85 points or higher are being recommended for funding.

Meeting Date: May 25, 2016

Page 2

Staff is recommending to the Board that nine proposals be awarded funding totaling \$6.3 million. Attached is a comprehensive analysis and staff recommendation for each of the nine projects. Of these nine, the Conservancy staff is seeking approval for one project that is ready to enter into a grant agreement; conditional approval for five projects that must submit additional information prior to entering into a grant agreement; and reserved funding for three projects for which CEQA must be completed prior to entering into a grant agreement. For approved or conditionally approved projects, the Conservancy expects to complete grant agreements during the first quarter of the 2016-17 fiscal year.

For more information about the projects that are being recommended for approval, please see the attached table. The recommended full proposals are for projects that will:

- Restore upland, floodplain, and wetland
- Enhance habitat on working lands
- Acquire flood and conservation easements
- Promote agricultural sustainability
- Improve water management to benefit species

The Conservancy will open a second grant solicitation period in Fall 2016 and anticipates awarding funding in Spring 2017.

BACKGROUND

The Conservancy's Proposition 1 Ecosystem Restoration and Water Quality Grant Program (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 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 has been allocated to the

Meeting Date: May 25, 2016
Page 3

Conservancy for the Ecosystem Restoration and Water Quality grant program. For the 2016-2017 fiscal year, staff has recommended that the Board approve funding projects totaling \$6.3 million.

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Meeting Date: May 25, 2016

Page 4

Staff Recommendation to the Board							
Project Name	Applicant	County	Category	Amount Requested	Amount Recommended	Final Score	Staff Recommendation
Yolo Bypass Corridors for Flood Escape on the Yolo Bypass Wildlife Area	Yolo RCD	Yolo	2	\$688,195.65	\$688,195.65	87.3	Approve
Three Creeks Parkway Restoration Project	American Rivers	Contra Costa	2	\$839,485.00	\$836,409.00	86.8	Approve
Lower Marsh Creek and Sand Creek Watershed Riparian Restoration Planning	American Rivers	Contra Costa	1	\$78,014.00	\$73,493.00	86.1	Approve
Paradise Cut Conservation and Flood Management Plan	San Joaquin County RCD	San Joaquin	1	\$99,924.00	\$99,924.00	86.0	Approve
Paradise Cut Flood and Conservation Easement Acquisition	San Joaquin County RCD	San Joaquin	2	\$2,000,000.00	\$2,000,000.00	85.6	Approve
Habitat Enhancement for Swainson's Hawk at Elliott Ranch	Environmental Defense Fund	Yolo	2	\$378,308.00	\$378,308.00	85.4	Approve
Yolo Bypass Wildlife Area Habitat and Drainage Improvement Project	Ducks Unlimited	Yolo	2	\$2,000,000.00	\$2,000,000.00	85.4	Approve
Fish Friendly Farming Certification Program for the Sacramento-San Joaquin Delta	California Land Stewardship Institute	Yolo	1	\$89,450.00	\$89,450.00	85.3	Approve
Sherman Island Wetland Restoration Project, Phase III	Ducks Unlimited	Sacramento	1	\$100,000.00	\$100,000.00	85.1	Approve
Total Recommended for Funding:					\$6,265,779.65		

Staff Recommendation to the Board							
Project Name	Applicant	County	Category	Amount Requested	Amount Recommended	Final Score	Staff Recommendation
Petersen Ranch Natural Lands Corridor	Solano Land Trust	Solano	2	\$1,488,032.22	\$0	82.1	Deny
Yolo Bypass Agricultural Crossing Improvements Study	Yolo County	Yolo	1	\$100,000.00	\$0	77.6	Deny
Beneficial Reuse of Harvested Invasive Aquatic Plant Species: Biofuel Demonstration Project	Port of Stockton	San Joaquin	2	\$300,000.00	\$0	77.4	Deny
San Joaquin River Levee Improvements and Channel Margin Habitat Project	RD 1601	Sacramento	2	\$1,498,700.00	\$0	76.0	Deny